The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

Japanese Ruffians and Military Take Control of Hongkew Section!

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Formerly Millard's Review

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ROOSEVELT TRIP TO HONOLULU AROUSES ORIENTAL INTEREST

PRESIDENT Franklin D. Roosevelt departed from Annapolis on June 31 on the U. S. S. Houston for a five-weeks' vacation cruise which will take him to Haiti, Puerto Rico, Virgin Islands, Cartagena, Colombia, Canal Zone, Republic of Panama and Honolulu where he is scheduled to arrive on July 28. He then will return to the mainland and after a visit of a few days on the Pacific Coast will return to Washington the middle of August. Although President Harding made a trip to Alaska, the disastrous ending of that expedition culminating in his death from ptomaine poisoning in San Francisco, neutralized any benefits which might have accrued from the trip. President Roosevelt's trip to the Carribean and Canal Zone and Hawaii, combined with the recent activities of the U. S. Fleet in these areas naturally has attracted major attention both at home and in the regions about the Pacific. The fact that Sun Fo, chairman of the Legislative Yuan, suddenly decided to sail early this week on a vacation trip to Honolulu naturally has aroused considerable speculation that his real purpose is to confer with the American President on Far Eastern topics. At least this in the interpretation which the Japanese have placed on Sun Fo's trip.

As to the Japanese reaction to the Roosevelt trip, it has been one of open and undisguised curiosity as to the real motive. Japanese speculation also has been mixed with some apprehension, for it is the first time that an American President, while in office, planned a voyage to the mid-Pacific. Immediately, following the announcement of Roosevelt's plans, the Japanese began to put out feelers as to the possibility of arranging a conference. First it was suggested that Koki Hirota, Foreign Minister might go to Honolulu to meet the President, then later on it was suggested that Prince Chichibu, brother of the Emperor might be sent. However, the plan for sending a high official to confer with Roosevelt apparently was abandoned for an article in *Asahi* on June 17 stated that Foreign Minister Hirota was "keenly disappointed" because the President had let it be known that he had no intention whatever of

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interviewing any influential Japanese statesmen during his visit to the Pacific. Furthermore, the President had stated that any important discussion of political issues between Japan and America "should be carried on through the usual diplomatic channels." But this did not prevent the Japanese newspapers from discussing the Roosevelt voyage from all possible angles, even suggesting that a conference in Honolulu with some high Japanese political leader "might cause President Roosevelt to modify his views and opposition to Japan's program with respect to the forthcoming Naval Conference." The *Nichi-Nichi* published a dispatch from its correspondent in New York stating that it was a foregone conclusion that the United States was determined to bring up all Far Eastern issues at the Naval Conference, including Manchuria, the Mandated Islands, fortification of insular possessions, the Kellogg Anti-War Pact and the Nine-Power Treaty, hence the only thing for Japan to do was to send a high official to Honolulu with the object of reaching a prior understanding on the question. It was suggested that there was a precedent for this in the action of the Soviets in sending Foreign Commissar Litvionv to Washington for a conference with the President, prior to the restoration of normal diplomatic relations between the U. S. A. and U. S. S. R. But nothing came of this Japanese suggestion because Roosevelt apparently indicated that he did not desire to hold any private political conferences while on his cruise. The *Yomiuri*, another influential Japanese newspaper, in its comment on the President's trip, said that officials of the State Department "still regarded Japan with suspicion," due not only to events in the Far East since 1931, but particularly since the issuance of Japan's famous "hands-off" declaration. The paper stated further that the recent visits of Prince Konoe and Mr. Matsukata to Washington for the purpose of "softening" American sentiment, had not been "entirely productive" of expectations. The Japanese also, apparently, have found further excuse for apprehension in connection with the scheduled plans of the U. S. Army and Navy Departments with respect to the planned airplane flights to Alaska, which will start simultaneously on July 12. Each of the American military branches will send squadrons consisting of a dozen planes to the Alaskan coast, the Army planes flying by way of Canada, while the Navy squadron will skirt the coast and follow the Aleutian islands. The Japanese believe that the aviation expeditions will be certain to result in the establishment of air-force outposts in Alaska within striking distance of the northern Japanese coast. Secretary of Commerce, Daniel C. Roper, left for Alaska on June 20 announcedly for the purpose of exploring the possibility of establishing a regular commercial air service between the U. S. mainland and the Alaskan territatory. The Navy Department also has announced the dispatch of a considerable squadron of warcraft for maneuvers and survey purposes to Dutch Harbor in the western Aleutians during the present summer.

PASSING OF THE LAST DIEHARD FOREIGN EDITOR

WE venture the suggestion that the verbal fireworks now enlivening the correspondence columns of the local foreign newspapers over the Chinese postal ban on H. G. W. Woodhead's magazine *Oriental Affairs*, will mark the passing of Mr. Woodhead, the last of the diehard editors on the China coast. We make this prediction because there was a similar flare-up preceding the exit of O. M. Green from the China scene, but he passed out of the picture nevertheless. There is only one development which might save Woodhead—that would be for Japan to take over China completely—in which event Woodhead might remain as an outright protagonist of Japanese imperialism. But if China remains China, there will be no place in the picture for editors of the Woodhead type who belong to a preceding age, the era following the suppression of the Boxer Rebellion when China was completely under the heel of the foreign powers and when the Diplomatic Body in Peiping ran the show. Woodhead arrived in China in 1902, immediately following the Boxer Rebellion and joined the editorial department of the *North China Daily News* as a court reporter. In 1911 he went to north China to cover the first revolution and remained in that area until about four years ago when he returned to Shanghai to become a sort of "columist" or editorial contributor to the *Evening Post and Mercury*, an American paper. While in north China he edited various papers, but chiefly the *Peiping and Tientsin Times*, leading British paper in Tientsin. Why Woodhead left the British newspaper in Tientsin was never adequately explained, but it was noticeable that Woodhead's successor, W. V. Pennell, adopted a liberal and friendly editorial policy on Chinese affairs. It is common talk in Tientsin that the paper has paid better dividends since that time. Also, it has not been banned from the mails since Pennell assumed charge, a statement which also holds good for the *North-China Daily News*, leading British newspaper here, since the present editor, Edwin Haward, assumed charge. The paper was in continuous trouble with the Chinese during the final years of Green's editorship, the reason being that Green could not adapt himself to changed conditions in China. He also belonged to a byegone age of die-hard British editors on the China coast, an age of British imperialism when it frequently seemed that China was going the way of India. Green left the *N. C. D. N.* because the proprietors of that paper found they could not continue under his type of editorship. The same will happen here with respect to Woodhead for it is no secret that the American-owned *Evening Post and Mercury* will not be able to carry him much longer and thus invite the animosities of the Chinese people whose support they must have if the *Post* and its publishing plant, the *Mercury Press*, are to continue in prosperous operation. Woodhead's connection with the concern, either as a contributing

editor to the *Post* or as editor of *Oriental Affairs*, which is published by the *Mercury Press* constitute an anachorism, because T. O. Thackrey, publisher of the *Post* came to China from the liberal school of the *Scripps-Howard Newspapers*. Obviously the *Post*, as an enlightened American paper, could not continue with Woodhead's daily lectures and diatribes to the Chinese, hence Woodhead was shifted to the editorship of the monthly *Oriental Affairs*. But here again the same problem exists, hence we imagine it will not be many months before Woodhead passes entirely from the Shanghai scene, it being rumored that he has been offered an editorship in the British colony of Hongkong.

We have no intention of going into the pros and cons of the recent controversy over the Chinese action in banning *Oriental Affairs* from transmission through the Chinese post office. On several occasions in the past attention has been called to articles which came very near being outright pro-Japanese, or pro-Manchukuo propaganda. In our issue of April 14 there was reproduced several extracts from the pages of *Oriental Affairs* which would have landed the editor of that magazine in jail had he been a Chinese citizen, subject to Chinese laws, for the statements were allegedly seditious from the standpoint of Chinese national policy on the Japanese and Manchurian-recognition issues. But since Woodhead is British and thus is not subject to Chinese laws, he escaped prosecution in the Chinese courts. As a result the Chinese have retaliated by barring his journal from the mails. That the Chinese action is contrary to the Anglo-Saxon conception of freedom of the press is obvious, but even in America and England there is a clear distinction between freedom and license. The American customs authorities at Honolulu recently barred a Japanese magazine which contained an article depicting the defeat of the American navy by Japan and some three years ago the British authorities issued a warrant for the arrest of an Englishman, a resident of Shanghai, who attempted to distribute in London a pamphlet charging that the British government at that time was under Soviet influence. A foreign editor, residing in China and earning a living on Chinese soil, naturally owes some responsibility to the Chinese people. The Chinese are the most liberal people with respect to criticism so long as it is honest, frank and friendly, but when a foreigner sets himself up as an oracle and tells the Chinese people how they should manage their domestic and foreign affairs, he is bound to get into difficulties. Woodhead's present predicament might be likened to that of a guest at a dinner who criticised the food and service and then proceed to lecture his hostess on the way she wore her clothes.

Aside from the outraged feelings of the Chinese, there is a further element in the Woodhead type of journalism which is of special interest to the foreigners. All during the course of the Sino-Japanese "undeclared" war at Shanghai, Woodhead generally supported the Japanese side and at the conclusion of the struggle fathered a movement for the creation of a "free-city" at Shanghai, a thinly disguised attempt to take advantage of China's political embarassment by carving a foreign colony out of Chinese territory at the mouth of the Yangtsze. The scheme failed, but the sinister motive was all too apparent. Today the foreign, chiefly British, administrators of the International Settlement are paying a bitter price for the Woodhead type of propaganda, for the Japanese practically have assumed arbitrary military control over an important section of the Settlement and are insulting and flouting the authority of the British municipal police. It was noticable that the last issue of Woodhead's journal, usually so open in its support of Japanese imperial policy, was, nevertheless completely silent on the Hongkew crisis. To paraphrase a common expression, Woodhead's Japanese chickens have begun to come home to roost and they are roosting on the British municipal doorstep, an obviously embarassing situation not only for Woodhead, but for all the other die-hards who insisted that the Japanese "saved" Shanghai from Chinese encroachment. The Japanese may have "saved" Shanghai, but they obviously did not save it for the Woodheads and other die-hards who deluded themselves into the belief that the Japanese warlords were acting altruistically in support of of Occidental civilization at the mouth of the Yangtsze!

THE FAR EASTERN "POKER-GAME" GROWS WARMER

THE new German Consul-General at Shanghai, Lieutenant-Colonel Herman von Kriebel, formerly a military adviser to the Chinese Government, declared in an interview shortly following his arrival here that Germany "never would take the lead in recognizing the Japanese puppet state of Manchukuo." But dispatches from Berlin which have appeared recently in the American papers have suggested the possibility of an understanding between Japan and Germany on Far Eastern and European issues. The Berlin correspondent of the *New York Times*, in a dispatch dated May 20 said that Japan was pressing Germany for such an understanding and while a rapprochement "would carry no risks for Japan, it would on the other hand involve great risks for Germany." However, the present ruling group in Germany would welcome Japanese support in the matter of armament, hence all attacks on Japan because of dumping or the subject of returning former German colonies in the Pacific, had been banished from the German press. Also the recent Japanese Asiatic Monroe Doctrine declaration aroused no response in Germany for the announced reason that Germany did not sign the Nine-Power Treaty. Finally, said the dispatch, Nazi Germany had broken her proudest principle, namely that of racial exclusiveness, by notifying Japan, as well as China, officially that German laws against "non-Aryans" applied only to Jews and Negroes and not to the yellow race. However, any tendency toward a closer relationship between Nazi Ger-

many and Japan must be handled cautiously because of the presence in China of General Hans von Seeckt, former German Chief-of-Staff and some fifty or sixty German military advisers in the employ of the Chinese National Government. Finally, there was a dispatch from Berlin published in the Japanese newspapers on June 27 stating that former Admiral Bencke, president of the recently-formed German-Japan Society, in the course of a speech had stated that there was a close kinship between the "true Prussian and the old national spirit of Japan. . . . Germany and Japan are now fighting the same battle for honor and equality rights. . . . It must be known that Japan is now in about the same position as was Germany before the World War, a situation the difficulty of which is manifest." The Japanese Admiral Matsushita, now traveling in Germany, in responsing declared that "Japan and Germany occupy a special place among the nations."

Apparently as a result of these German-Japanese effusions, Premier Mussolini let it be known that Italy was not seriously impressed by the "too frequent declarations of friendship between Germany and Japan." Mussolini also announced that the Italian Ambassador in Tokyo had informed the Japanese Foreign Office that Rome shared the apprehensions felt in both America and Britain regarding Japan's recent "hands-off" declaration. Articles, written in identical terms, appeared in the entire Italian press stating that Italy is interested in the problems of the Far East for two reasons:—(1) Because, as a great Power, she cannot fail to be concerned over any act which may disturb or tend to disturb the equilibrium of any part of the world:—(2) Because she considers that, now the world has been reduced to "pocket-size," any event in the Far East has its immediate reaction in Europe, and she does not wish to find herself in a position of inferiority in China in relation to any other country, especially as Italian enterprise has been making so much headway there in recent years.

Next in interest was a *Rengo* dispatch from London, published in the *Japan Chronicle* on June 30, stating that the Russians are convinced that there is a private understanding between Germany and Japan for a combined attack on Russia in the spring of 1935 when Japan's resignation from the League becomes effective and when their military preparations, it is asserted, will be ready. According to Soviet beliefs the German aim is to seize Baltic territories, where money is being freely spent on propaganda, and Ukraina, whose fertility would make Germany self-supporting after which her next aim would be France and then England whom she blames entirely for her defeat in the Great War. On the other hand the opinion is expressed that Japan is less confident of the prospects of an anti-Russian campaign than formerly and that there is also a revival of civilian influence and renewed influence on the part of Baron Shidehara on the Japanese Foreign Office and that these are hopeful signs. It was also stated that Russia is now practically self-supporting in war materials and has even begun to produce nickel.

Interest in the Far Eastern "game" next shifts to an American publication, *The Living Age*, which stated in its leading editorial in the June issue that "In Germany and Japan, British foreign policy faces two dilemmas of world-wide magnitude. . . . The British decision to prohibit more than a limited volume of imports from Japan would seem to indicate that the die was already cast and that England will line up with Russia and the United States in opposing Japanese imperialism. But if England supports Germany against Russia in the West, the same fear of Communism would surely lead her to support Japan against Russia in the East. Furthermore, the die-hard conservatives, who have been gaining ground of late, support precisely such a line. . . . The manifest interest of England (quotation from *Saturday Review*) is to keep on good terms with Japan without any flapdoodle whatsoever. On the other hand, if England decides to turn against Germany through fear of German imperialism, she will be likely to turn against Japan as well through fear of Japanese imperialism. At present the British national government is merely giving the textile industry, which used to dominate the almost defunct Liberal Party, a run its money. The tentative offensive it has opened against Japan may yet prove temporary."

Finally, we turn to another well known American publication, the *Literary Digest*, which reviewed a recent statement of Sir John Simon, Britain's Foreign Secretary, to the effect that Britain had no obligations under the Nine-Power Treaty to "respect and preserve the integrity of Chinese territory," a statement which aroused the animosities of Dr. Sao-ke Alfred Eze, Chinese Minister to the United States who called Sir John Simon's attention to the Covenant of the League, Article X of which bound Britain, in common with other members "not only to respect, but preserve, as against external aggression, the territorial integrity and existing political independence of all members of the League, among which members, China is included." The article in the *Literary Digest* also referred pointedly to the attack on Sir John Simon's policy in the Far East by Sir Stafford Cripps, former Laborite Attorney-General who declared in the House of Commons that Japan was converting Manchuria and Jehol into a "vast military base." The essential paragraphs in Sir Stafford's speech were as follows:

> "The action of Japan in invading Manchuria and the incidents which took place at the sametime in Shanghai were the first step of a design by which Japan should gain preponderating power throughout the whole of the East. That design in its initial stages succeeded because of the Governments who were represented on the League of Nations—in which weakness and vaciliation our Government took a leading part. Since that time Japan had extended her conquests in the North of China. She had withdrawn from the League for the somewhat naive reasons that she could not agree with the other members of the League with regard to the interpretation of treaties and the fundamental principles of international law.

The reasons for her withdrawal and the fact of her withdrawal were of vital importance because they demonstrated the value that could be attached to Japanese statements with regard to the keeping of treaties. That there was a flagrant breach was determined by the rest of the world, and Japan still insisted that her actions in the case of Manchuria were not breaches of that treaty but were apparently consistent with the terms of it.

"Following the withdrawal from the League of Nations, Japan was now engaged in converting Manchuria and Jehol into a great military base, with strategic roads and railways, ready for some further adventure. Japan constituted herself, on her own statements, as the judge of what benefited China and whether she would permit other countries to engage in technical or financial assistance to that country. They were left with the perfectly plain claim and assertion by the Japanese Government that she proposed to continue in her breach of the Nine-Power Treaty and to extend that breach throughout Northern China. Apparently the British Government was allowing Japan to continue in breach of the obligations both under the Covenant and the Nine-Power Treaty. It was no wonder, in those circumstances, that people demanded some very special degree of security before disarming.

"This was not merely a question of honour and treaty keeping, which apparently had no great appeal for the British Government, but it was also a question of expediency. Japan was obviously embarking upon a policy of militarist expansion, and there were two alternative directions which that expansion might take—either Russia or China.

"At the moment Russia's strength had apparently modified the desire expressed not long ago by some Japanese militarists to make an incursion into Siberia. The alternative was North China, where it seemed to be undisputed now that Japan would shortly set up a second Manchukuo in the northern parts, and if that attempt was made, what was going to be the attitude of the British Government? Presumably when Japan had digested North China she would be ready to take a bite at South China, and so we and other European States would be gradually forced out of the country altogether.

"The time had come to call a definite halt to this type of behaviour. If the League was to continue to attempt to handle the situation in the East, it was extremely desirable that we should try to get as close an association with Russia, America, and the League as possible. It seemed possible that an anti-League combination might easily grow up based on the Japanese and German strength and in that case it was vital that every step should be taken to stengthen the League. No step in that direction could be more fruitful than the inclusion of Russia in the League. The British Government were not prepared to take any economic steps to bring pressure on Japan at the time of the Manchukuo crisis, but they were prepared to take very rapid steps when the Lancashire cotton industry suffered, and it seemed a pity that these steps could not have been taken in a matter of vital importance when the Government were prepared to undertake them in a matter of comparatively lesser importance.

"The Government talked about security and said how necessary it was, but in fact they made security impossible by their actions with regard to Japan. As regarded Europe, the Government had refused all those measures which most people believed to be necessary to give reality to security as opposed to mere paper security, which no one now believed was likely to be effective.

"He would like Sir J. Simon to answer four specific questions. First, did this country still stand by the report of the League of Nations in February, 1933, with regard to Japan's position in Manchuria and Jehol under the Nine-Power Treaty? Secondly, did this country repudiate its obligation to respect and preserve the territorial integrity and political independence of China, including Manchuria, under the Nine-Power Treaty and Article 10 of the Covenant? Thirdly, was his Majesty's Government prepared not to enter into any treaty, agreement, arrangement, or understanding with Japan in pursuance of Article 2 of the Nine-Power Treaty, or did they repudiate that article? And, lastly, what was the attitude of his Majesty's Government towards the question of security; was it prepared to sacrifice any part of this country's independence of action and decision in order to attain security?"

Dr. Sze, the Chinese Minister to Washington, who now happens to be in London attending the wedding of his son, declared in the course of an interview with the correspondent of the *Associated Press* that Sir John Simon's statement had put China in the "direst danger," and it appeared that Britain was moving in the direction of becoming an ally of Japan in order to counterbalance the Russo-American rapprochement. In conclusion, Dr. Sze expressed the hope that this suspicion was not based on fact that Britain ultimately would "line up with the United States and thus hold the balance of power against Japan,"

Japanese Disarm, Mob, Insult British Police; Take Control of Hongkew Area

READERS who have followed the recent reports in *The Review* regarding the critical situation which has been developing in the Hongkew section of the International Settlement, were not surprised when they read reports in *The China Press* on Thursday morning of last week (June 28) telling of the serious clash which had developed on the previous night between the Japanese military and the local British police authorities. However, the considerable number of British residents in Shanghai who depend for their news upon the two local British newspapers, the *North-China Daily News* and the *Shanghai Times*, did not know that anything serious had happened for neither of these newspapers, either due to accident or design, printed a word about the incident despite the fact that it occurred at a few minutes past 10 o'clock in the evening in ample time for them to have covered the news. It was not until the second day following the incident, that the British newspapers covered the incident, but up to the present neither has commented on it editorially. It was only the Chinese-owned and edited *China Press* which covered the news adequately and which has continued to call attention to the significance of the serious affair which involved the actual police control of the Hongkew section of the International Settlement.

Since both the Japanese and foreign reports agree upon the cause and general trend of the incident, it is only necessary to refer to the main details. At 10:10 o'clock on the evening of Wednesday, June 27, two Japanese sailors were observed beating a Chinese woman in the street

fronting the Japanese Towa theater. A British police sergeant, J. W. Bellamy, and a Chinese police constable, who were patrolling in the area, hurried to the scene and attempted to arrest the Japanese sailors, one of whom was named Watanabe. Later another British police sergeant, D. M. Ferguson, appeared on the scene and tried to assist Sergeant Bellamy and the Chinese constable in arresting the Japanese sailors. In the meantime the Japanese sailors gave the alarm and within a few minutes a large crowd of Japanese "ronin" and ruffians and a squad of Japanese naval patrols appeared on the scene and prevented either of the British police sergeants from proceeding to a telephone in order to give the alarm or call for reinforcements. A large mob of Japanese, called in from the numerous Japanese bars in the neighborhood, quickly gathered and both of the British police officers were disarmed and mistreated. Finally the Japanese naval patrol escorted the British policemen, not to the regular police station, but to the Japanese naval substation in the vicinity where they were held prisoners for several hours. A foreign civilian, who happened to observe the incident, telephoned to police headquarters and gave the alarm resulting in Major F. W. Gerrard, Police Commissioner, hurrying to the scene. Major Gerrard was closeted with the Japanese naval officers in the naval sub-station until about 5 o'clock the following morning, the station in the meantime being surrounded by a mob of between 300 and 400 Japanese ronin or rowdies, many of whom were drunk and practically all of whom yelled-insulting epithets at the British police authorities. About midnight, one of the British police sergeants, D. M. Ferguson, was released from the Japanese naval station and escorted through the crowd by a squad of Japanese sailors. He was followed for several blocks by the mob of Japanese rowdies who struck him with stones, sticks and articles picked up in the streets. Ferguson, however, managed to reach the Hongkew police station without being knocked down, but the Japanese mob then collected in front of the British police station and again assumed a menacing attitude. Another British police officer, Sub-Inspector A. E. Hale, who was guarding the gate, was also knocked down and his revolver taken away. Sergeant, J. W. Bellamy, whose attempted arrest of the Japanese sailors precipitated the incident, was held prisoner in the Japanese naval station until about 4:30 o'clock in the early morning of Thursday, June 28, his release resulting from orders issued by Rear-Admiral Uno commander of the Japanese naval landing party of approximately 2,000 men stationed here. The crowd of Japanese rowdies in front of the Hongkew police station was finally dispersed by a Japanese naval officer who delivered a speech to them, the purport of which was not known, but which elicited numerous "Banzais" from the mob.

This constitutes the essential facts in the incident. Since that time the Japanese have issued several reports through their official *Rengo* service and verbally attempting to place the blame for the incident on the police, alleging that the British police officers were intoxicated, drew their guns without justification, and also alleging that the British police have no right to arrest Japanese servicemen and take them to the Settlement police station. In addition the Japanese have attempted to excuse the actions of their sailors by alleging that the Chinese woman whom they were beating, was a prostitute and had made a remark insulting to the Imperial Japanese Navy.

In a previous article dealing with the critical situation now prevailing in the Hongkew section of the Settlement, which appeared in these columns on May 26, attention was called to the recent actions of the Japanese naval authorities in staging what they term, "night-maneuvers" in this section of the city. On two occasions within the past two months the Japanese have utilized their entire naval force in these so-called "maneuvers," including tanks, armored cars, light-artillery, infantry and machine-gun detachments. On one occasion, between the hours of 2 and 5:30 a.m. the Japanese naval landing party went through all the moves considered necessary for an actual occuation of the district, even to the extent of stationing machine-gun squads in front of the Chinese Government Post-Office and the bridges across Soochow Creek connecting with the main or downtown section of the Settlement. These military maneuvers were held without previous notice being given to the Municipal authorities or Consular Body and when a reporter from one of the local foreign newspapers inquired at the Japanese Consulate-General for information he was informed that the maneuvers were "merely military practice" and nothing to be alarmed about. However, they were alarming to the local residents of the area who were awakened and kept awake by the clatter of tanks and armored cars passing through the streets and by the firing of machine-guns almost beneath their windows.

Immediately following the conclusion of Japan's "undeclared" war on China at Shanghai early in 1932, the Japanese navy department began construction of an elaborate steel and concrete barracks, military hospital and fortified area, located in Chinese territory, just off North Szechuen road in the Hongkew district. The Japanese barracks, now completed, houses some 2,000 Japanese sailors, while the ground floor and basement serves as an arsenal and garage for the storing of munitions, armored cars, tanks and other military equipment. Due to its location it not only commands the entire Hongkew district of the Settlement, but also the surrounding Chinese area of the Chapei section. Since the completion of their barracks and creation of the fortified zone, the Japanese have more and more regarded the Hongkew section of the International Settlement as their own, hence the recent clash with the British police in that district was only a further assertion of Japan's military power in that area.

Also, there have been other and even more disturbing developments in the Hongkew district in recent months. This development consists largely in the introduction here of a type of resort which is popularly known in Tokyo as "beer-halls," of which there are said to be some 14,000

in Japan's capital city. These beer-halls are small saloons or drinking places containing a few tables and chairs and often a small dancing floor. In most of these places the waiters are women, Japanese or Koreans, who serve the drinks and dance with the customers—also allegedly make dates with the customers for other resorts of a more sordid character in the nighborhood. In recent months dozens of these beer-halls have sprung up in the Hongkew district and in most of them the customers are Japanese "ronin" or rowdies who sit around and drink beer and appear to have no regular occupations. Actually most of them live off the earnings of the Japanese women, or the illicit dope trade, or receive support from reactionary groups in Japan. Whenever anything happens in the Hongkew section of the Settlement, these ronin, pimps, and rowdies are immediately summoned to action and provide the material for the Japanese mobs, which, together with the Japanese sailors roaming about the streets, have practically usurped police power in this important section of the foreign municipal area. That they work in close collaboration with the Japanese military was demonstrated in the incidents on Wednesday night, June 27 and again on Sunday night, July 1, a somewhat less-serious affair. In the latest incident an altercation developed between a Japanese sailor and a British subject named A. Thomson. The Japanese sailor gave the alarm and within a few minutes the usual Japanese mob numbering between 200 and 300 appeared and Thomson was taken, not to the Settlement police station, but to the Japanese naval station. Another foreigner, a Polish youth named Adam Shishlo, who happened to be in the district, was also chased and beaten by the Japanese mob and likewise taken to the Japanese naval station. Shislo, in attempting to escape climbed in to a taxicab which was occupied by a reporter on the staff of the *North-China Daily News*, who also was manhandled by the Japanese rowdies.

No extended explanation is required as to the significance of these recent developments. It means, in simple terms, that the Japanese military authorities, assisted by their ronin and thugs, have taken over possession of the Hongkew section of the International Settlement. That the power of maintaining peace and order has been completely usurped by the Japanese was amply proved on the night of the first riots (June 27) when the British police sergeant, J. W. Bellamy, who was held prisoner in the Japanese naval sub-station, was not released until the order was given by Rear-Admiral Uno of the Japanese naval landing party. Major F. W. Gerrard, Police Commissioner of the International Settlement, was closeted with the Japanese naval officers for nearly seven hours without being able to effect the release of his men who had been seized and disarmed by the Japanese sailors, assisted by the Japanese rowdies. On the occasion of the second riot on last Sunday night, it was noticable that none of the British police officers appeared on the scene wearing their uniforms.

The fact that more than a week has elapsed since the first Japanese riots in Hongkew and no official report on the incidents has been issued by the Municipal Council, has naturally led to considerable speculation on the part of the public and to the circulation of rumors which have led to much apprehension. One report, referred to in the *China Press* stated that all of the British police stationed in the Hongkew section have asked to be transferred to other stations because of their inability to cope with the situation without the support of the Municipal Council and the Consular Body. The natural apprehension which exists regarding the situation in Hongkew has been voiced in the correspondence columns of the local newspapers. One writer signing himself "D. T. D." (*North-China Daily News*, June 30) declared,

> "The importance of the incident cannot be minimized for vital issues are at stake. If need be, the attention of the Court of Consuls must be drawn to the matter. How can a situation, when a unit or members of a unit of Shanghai's Defence Force, which should maintain law and order and the peace of Shanghai becomes a menace to that law and order and peace, be faced? What steps can the S.M.C. take? Who has the jurisdiction over Shanghai? The Japanese? What would happen should an ordinary citizen interfere when some irresponsible members of a unit of Shanghai's Defence Force should take to assaulting a defenceless person, if even a responsible member of the police is treated in such a high-handed fashion? What would happen if I were assaulted and then alleged that I had the temerity to arrest two or more husky warriors? Would I get justice or the incident close before it began?
>
> "In short, who is doing the protecting and how is law and order to be maintained, when a section of the community—people of a civilized nation, starts to run amok and besiege police stations and attack policemen?
>
> "For the sake of peace and justice these questions must be settled once and for all."

A foreign writer who signed himself "Pro Bono Publico" in the *China Press* on July 1 said that the state of affairs at present existing in the Hongkew district "is absolutely impossible . . . the latest incident has definitely lowered the prestige and been a blow to the dignity of all other nationals domiciled in Shanghai . . . the Japanese must be taught to understand that they have no more precedence in the International Settlement than any other foreign national or Chinese, nor have they any greater right of rulership, or government, in any matter or manner whatsoever in the Hongkew district . . . this state of affairs must be stopped immediately and once for all . . . it must be borne in mind that we who are rate-payers, no matter or what nationality, pay the Municipal Council a certain municipal rate, a considerable portion of which is appropriated towards the upkeep of a large police force which is supposed to be vested with authority over unruly or unlawful members of our community, and to preserve law and order . . . why therefore are the members of this police force allowed to have their authority flaunted and over-ridden, and to be made to look absolute fools . . . the Municipal Council must be held to blame; and if this is the case, they are betraying the trust placed in them by the ratepayers . . . if this is proved to be the case, and the Council is too weak-backed to make a brave

stand and to take definite and proper action in the matter, and to be firm within their rights, they cannot expect, or demand the support of the ratepayers. . . ."

The *China Press* also published a strong editorial under the heading, "Who Governs This Settlement?," but of more significance was an editorial in the *Chen Pao*, a Chinese paper popularly supposed to reflect the views of Gen. Chaing Kai-shek. This editorial among other things referred to the so-called "Tsai Yang Gee" case involving a Chinese policeman in the Settlement who allegedly tortured a Chinese prisoner. The local Chinese authorities demanded that the Settlement hand the policeman over to the local Chinese court for investigation, but Brigadier-General MacNaughten, Acting British chairman of the Municipal Council refused this request. In consequence, the editor of the *Chen Pao* inquired why MacNaghten, who had been so "stubborn" with the Chinese authorities over the Tsai Yang Gee case, was now so silent on the Japanese issue in Hongkew? The following were the main paragraphs in the *Chen Pao* editorial:

"What is the cause of the present clash between the Japanese marines in Shanghai and the British policemen of the Shanghai Municipal Council?

"Speaking frankly, there is one serious and indirect cause, namely, the struggle between the Japanese and the British for the control of Shanghai. In the past, when there were no Japanese Councillors and no Japanese policemen, the International Settlement was under the full control of the British. Since the election of the Japanese Councillors and the employment of Japanese policemen, British control in Hongkew District has been taken over by the Japanese. The British people have still a small right to interfere in the administration of Hongkew District. Since the January 28 Incident, even this small right has encountered serious difficulties and is being gradually reduced. The British are now preserving this right with some difficulty because most of them are patient while there is not a small number of Japanese who do not want the affair to become worse.

"Why are the British so patient? Old and worn-out Britain lost her strength to resist Japan since the European War and she is unable to resist Japanese attack with any degree of force. The British will no longer be able to maintain their political and economic positions in Shanghai unless a policy of tolerance is adopted. The investments of the British in Shanghai are larger than those of the Japanese, furthermore, the British had worked hard for the development of Shanghai. A very grave situation would arise should the Japanese adopt a policy of driving out the British from the Settlement. In consequence, the Japanese have to be careful should they contemplate the seizure of Shanghai from the hands of the British. The patience of the British, however, is limited while the attitude of the more peaceable class of Japanese can not last long. The S.M.C. which represents the influence of the British, has frequently indicated its indignation over the so-called "subversive influence" in the Settlement. The Japanese hold the view that the right of the S.M.C. to participate in the administration of Hongkew District is hindering the expansion of Japanese influence. Thus an Anglo-Japanese clash has broken out in the Settlement of Shanghai.

"No doubt, the clash between the Japanese marines and the British policemen will result in a consideration of the problem of apportioning the ruling power in Shanghai between the Japanese and British. Newspaper reports reveal that the Japanese authorities will submit for discussion the question of Police rights in Hongkew District. Will this be the basis of negotiations to be held between the Japanese and the British for the apportioning of the ruling power in Shanghai? In that case, it is probable that one condition for a settlement of the present incident will be that the British will have to give up the Police rights in Hongkew. The result of this would find the so-called International Settlement of Shanghai divided into two parts: one under the influence of the British, the other under that of the Japanese. The struggle between the two parties will daily become aggravated and Shanghai may become the centre of a more serious clash between the Japanese and the British.

"We recall that in 1927 when British soldiers landed in Shanghai to protect the International Settlement, some British newspapers in Shanghai used the following words in their headings: "Shanghai! Here are British soldiers!" Did the British people at that time think that Shanghai was in the hands of the British, or did they realize that, in defending Shanghai, they were actually working for the Japan.

"The recent order of the S.M.C. to the Police instructing that Department to reject the Chinese Court summenses in the Tsai Yang Gee case may be called the great handiwork of Brigadier-General MacNaughten, a British subject who is acting chairman of the Council in the absence of Mr. Arnhold. Yet who would have thought that this stubborn MacNaughten in the present affair has not dared to speak his mind apart from becoming indignant? From this, we learn that in the present of a Britain, one must be firm and one must not weaken.

"If the Chinese cannot recover the Settlement, the position of the Settlement will be somewhat like this: the Japanese will control the British and the British will control the Chinese. We can then expect political oppression from both the Japanese and the British and we shall become slaves."

It obviously requires no further elaboration on our part to indicate the critical nature of the situation now existing in Shanghai due to the break-down of the previously British-dominated municipal administration. It is no secret that several of the Occidental members of the Municipal Council owe their elections to the Japanese vote. Also it has been reported that an understanding existed prior to the recent election of a municipal chairman that the Japanese were to have the vice-chairmanship under MacNaghten, but this deal was upset when H. E. Arnhold, who represents the powerful Sassoon interests, combined with the Chinese members of the Council and prevented the election of the MacNaghten-Japanese slate. Now, to further complicate the situation, in the midst of the present crisis, Arnhold suddenly departed for Europe on a business trip, leaving MacNaghten in charge as temporary chairman. Obviously it would seem that the time has arrived, as suggested by the correspondent in the *North-China Daily News*, for the Consular Body to take a hand in the situation. This, however, also is impossible because of the departure on Tuesday of this week of the American Consul-General, who is chairman of the Consular Body, on vacation to Japan. In view of this confused situation and the uncertainty and apprehension which exists in the foreign and Chinese communities within the Settlement, there is sincere hope that the Diplomatic Body in Peiping, or at least the representatives of those nations which are chiefly concerned in the International Settlement, are paying close attention to developments here and are taking steps to protect their nationals and their property interests in the event of further serious developments.

Tragedy Marks Resumption of Through P. M. R. Service; Tungans Gaining Control in S. Sinkiang

High Lights in the Events of the Week:

1. First Through Train on P. M. R. bombed east of Tangku
2. Tungans are gaining control in Southern Sinkiang
3. Chiang Kai-shek and Ho Chien expected to confer in Nanking.
4. Communists removing "Red" Capital to Pokshing from Juikin
5. Railways Minister Ku Meng-yu impeached on various charges.
6. Hu Han-min predicts renewed Southern hostilities
7. H. H. Kung contemplates inspection tour to Northwest

Tragedy marked the resumption of the through train service on the Peiping-Mukden Railway on July 1. The first through train which left Peiping for Mukden at 8.25 a. m. on said day, met with disaster at 1.15 p. m., when a bomb exploded in a third-class coach directly connected with the locomotive, resulting in 6 being killed and 15 seriously injured. The incident took place at Chating station 30 kilometers east of Tangku. However, through service on the Line was not interrupted. The train continued its journey to Mukden, after the wrecked coach being detached.

Various theories have been advanced regarding the origin of the bombing. One report states that the bomb was wrapped in some baggage which was put on the train by a Chinese coolie. The said coolie never appeared again after he had put the baggage there. The bomb inside exploded when the baggage received a shock as the train pulled into the Chating Station.

A *Rengo* report from Chinchow July 2 states that three alleged members of a Chinese terroristic organization of "red" leanings are being sought by Chinese police as being implicated in the bombing of the first Peiping-Mukden through train afternoon July 1. Yen wen-chi, said to be the "brain" of the conspiracy, Chun Ting and Liu-hen, his accomplices were charged with having engineered the plot.

Following the bombing incident, the Japanese authorities are approaching China with the suggestion that Japan be allowed to form a special railway guard for the protection of the Peiping-Mukden Railway. The Chinese Government has decided to reject the request.

An official summary of the Sino-Japanese through railway agreement was released on June 28 by the Japanese Legation at Peiping. The summary reads:

(1) As the result of careful consideration on the part of the Chinese and Japanese authorities on the pending question of through rail traffic, a decision was reached to operate one train daily from Peiping and Mukden respectively, commencing July 1, under the management of the Eastern Tourist Bureau which will be organised at Shanhaikwan.

(2) All matters concerning through rail traffic will be dealt with by the Eastern Tourist Bureau.

(3) Details as to the composition of time tables and trains, handling passenger baggage, sales of railway tickets, etc., shall be published by the railway authorities.

The Chinese version of the through rail agreement is similar to the Japanese version with the exception of clause two, which states that the China Travel Service and the Japanese Tourist Bureau have been entrusted to organize the Oriental Travel Bureau at Shanhaikwan to handle all matters of through rail traffic.

Yin Tung, managing director of the Peiping-Liaoning Railway, in a statement issued on June 28 declared that he had negotiated the agreement under the direction of the Exevutive Yuan and the Military Council and that the agreement had been approved by the Executive Yuan.

Colonel Shibayama, the Japanese Military Attache at Peiping, expressed satisfaction at the conclusion the through traffic agreement which he said was a matter of congratulation for both China and Japan. He voiced the hope that it would lead to further friendly relations between the two countries.

The Eastern Tourist Bureau was officially established June 29 at Shanhaikwan. The Bureau is capitalized at 10,000,000, subscribed in equal proportions by the Japan Tourist Bureau and the China Travel Service. Chang Mu-chi, assistant manager of the China Travel Service, was appointed General Manager of the new organization, with Sadanari Hirayama as his assistant.

A statement on the resumption of through traffic service between Peiping and Shenyang (Mukden) has been issued by Chen Hsiang-tao, General Manager of the China Travel Service. Mr. Chen states that the China Travel Service has been entrusted by the Government with the task of organizing an Eastern Tourist Bureau in association with the Japanese Tourist Bureau for the handling of through traffic between Peiping and Shenyang (Mukden) with a Chinese as general manager of the Bureau. The China Travel Service was at first disinclined to accept the offer of the Ministry of Railways. However, owing to the insistence of the Government authorities and to fulfill their duties as Chinese citizens, the Board of Directors of the China Travel Service finally decided in accordance with the instructions of the Government to cooperate with the Japanese side in this task. Although certain that the Eastern Tourist Bureau will be a losing proposition, the commission being only 5 per cent of the receipts from passenger tickets, Mr. Chen states that the China Travel Service will disregard the loss for the sake of service to the country.

Two plate glass windows of the head office of the China Travel Service. 420 Szechuen Road, were shattered to pieces by bricks thrown by unknown persons at 2.35 a.m. June 30. The attack is believed to have been prompted by the Travel Service's acceptance of an offer from the Ministry of Railways to jointly handle the through traffic on the Peiping-Shenyang Railway under the name of Eastern Tourist Bureau.

Following the resumption of normal traffic on the effective measures to monopolize the trade in North China. Peiping-Mukden Railway, it is reported that Japan is taking In the first place, they will dominate the North China market with Manchurian products. Secondly, they will utilize the denationalized Chinese to buy up lands along the Railway with a view to creating a zone similar to that of the S. M. R.

The *Hua Lien News Agency* reports from Tokyo that the Japanese Ministry of Railways has telegraphed to Nakai, its representative in Shanghai, to approach the Chinese Government together with Mr. Ariyoshi with a view to restoring the old arrangment of through traffic on Chinese and Japanese Government Railways. By this arrangement tickets for the Korean, South Manchuria, Peiping-Mukden and Shanghai-Nanking Railways could be booked in Japan, while tickets for railways in Japan could also be secured in China.

According to information from diplomatic sources, the Director of the Treaty Bureau of the Japanese Foreign Office is now on his way to China to assist Mr. Ariyoshi in obtaining a settlement of all outstanding problems bteween China and Japan with the Chinese Government.

Three Japanese warships arrived at Changsha from Hankow June 28. Parties of the sailors landed and paraded the main streets. After anchoring at Changsh afor one day, the visiting Japanese vessels departed for the Upper Yangtze.

According to a foreigner who arrived at Hankow on July 1 from Changsha, a group of Japanese sailors from the visiting Japanese gunboats was seen to have forced several Chinese stores to buy Japanese goods which they had brought from Hankow, while a detachment of landing parties from the gunboats, fully armed, stood by ready for any eventualities. Sometime ago, (about the 15th of June), according to the foreigner, a party of Japanese officers from the Japanese destroyers called on General Ho Chien, Chairman of Hunan, and demanded the dissolution of the Anti-Japanese Boycott Association in Changsha. The Association was

promptly dissolved but later re-organized under the name of "Association for the Promotion of Native Products."

Tuangans Gaining Control in Southern Sinkiang

The Tungans are now in control of Kashgar and practically all Southern Sinkiang to the Afghan and Kashmir borders, according to a *Reuter* message from Simla, India, June 27. Renewed fighting recently occurred between the Tungans and attacking forces from the north of the province, presumably directed by local official Chinese with Turki help and under Soviet influence. The Turki element in Southern Sinkiang is under the leadership of Hodjaniez, who claims to be the head of "the Turki Republic." He is now reported to be desirous of returning to the Chinese regime, provided the Soviet influence can be excluded.

The message further states that a number of Russians took part in the recent fighting in southern Sinkiang and that the attacking forces had three aeroplanes. The Turki leader, Khojania Zhagi, is reported to have joined the Chinese, but the warlike Tungans dominating southern Sinkiang are confident of their ability to resist.

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Peng Chao-hsien, special commissioner of the Central Kuomintang to Sinkiang and concurrently commissioner of civil affaris for the Sinkiang provincial government, arrived at Peiping from Suiyuan June 25. Mr. Peng left the Sinkaing capital on June 4 by bus and arrived at Kueihua on June 22.

Interviewed upon arrival, Mr. Peng said that conditions in North Sinkiang were gradually returning to normal after the suppression of General Ma Chung-ying's revolt by Gen. Sheng Shih-tsai, director of frontier defense for Sinkiang. General Sheng was a loyal supporter of the National Government and had sent troops into South Sinkiang to suppress the Khotans who had set up an independent government at Kashgar. Mr. Peng believed that General Sheng would be able to suppress the insurrection in South Sinkiang within three months.

Mr. Peng also emphasized the importance of Sinkiang to China from the standpoint of national defense and said that the government should encourage the settlement of Chinese there. He further spoke about the growing economic influence of Soviet Russia in Sinkiang, adding that if Soviet Russia should forbid the export of petroleum and matches, Sinkiang would immediately become "a dark world."

Mr. Peng further said that migration of people from China Proper to Sinkiang is imperative in veiw of its sparse population and vast territory. Efforts must be made to improve the communication facilities and readjust the present chaotic currency situation in Sinkiang.

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A special Suiyuan telegram received at Peiping June 24 states that the remnants of the Mohammedan troops in Sinkiang under General Ma Chung-ying have withdrawn to Shacheh in southern Sinkiang and General Ma is now approaching General Sheng Shih-tsai through the Soviet Consul with the request that his troops be reorganized into the Sinkiang provincial army. General Sheng has flately turned down the request. General Sheng's troops are now taking over the city of Kashgar in southern Sinkiang and they will soon start an attack against the remnants of General Ma's forces. It is understood that General Sheng has determined to wipe out General Ma's influence in Sinkiang and then concentrate his efforts on the suppression of the rebel government in southern Sinkiang.

Interviewed upon his arrival at Nanking from Shanghai June 30, the Panchen Lama said that the question of his return to Tibet will have to be decided by the Central authorities. If the Government wishes him to return to Tibet, he will do so by the land route—that is, via the territory of the Yeghe Jo (Ordos) League and Chinghai (Kokonor).

General Huang Mou-sung, Government envoy to Tibet, in a telegram to Nanking June 24, reports his arrival at Tehkeh in Sikong. General Huang states that he would stay at Tehkeh for about ten days to attend to affairs relating the restoration of property to the lamas of the Tachin Monastery before continuing his journey.

An investigation group of ten, consisting of Shen Tsung-yao, technical expert, and a professor of the College of Agriculture of Nanking University, arrived at Hsining, Capital of Kokonor, from Nanking June 26. The party has gone there to inspect rural reconstruction, river conservancy, and reclamation work with special reference to agriculture.

"Red" Capital Removed Further into Interior

The seat of the so-called Soviet government in Central Kiangsi has been removed from Juikin to Pokshing country, according to a *Reuter* report from Canton July 1. The transfer is alleged to be a result of the pressure applied against Juikin by the Kwangtung and Kwangsi forces.

The Military Headquarters at Nanchang have received a telegram from Nanking stating that General Chiang Kai-shek will return to Kiangsi early in July. He will then remain in Kiangsi until the complete extermination of the Reds.

The 15th Government Division occupied Hsuhuang Shan (mountain), near Yungsin in western Kiangsi on June 30.

To facilitate the Bandit-suppression Campaign, Kwangtse (north-western Fukien) and Wuyuan (southern Kiangsi) have been transferred to the jurisdiction of the Kiangsi Provincial Government in accordance with the request of the Nanchang Provisional Headquarters of the President of the Military Affairs Commission.

During the last few days a band of Communists, armed with three machine guns and a number of rifles, made an attack on the cities of Kaihua and Sui-an in Chekiang. For a time both of the cities were in a precarious condition, But on the night of June 28 Chekiang provincial troops arrived and the Reds were beaten back with heavy casualties. General Chen Tiao-yuan, Commander of the General Reserve Force, also sent troops to Kaihua to assist in beating back the Communists.

Advancing under the personal command of General Chiang Ting-wen, Commander-in-Chief of the Eastern Route Bandit-suppression Forces, the Government Armies in Fukien are now converging on Changting, one of the last remaining Red strongholds in western Fukien. A concerted attack on the "Red" city is to be launched from July 1 which will be assisted by two squadrons of airbombers dispatched by the Nanchang Military Headquarters.

According to an Amoy message, military dispositions have been made by the Kiangsi, Fukien and Kwangtung troops for the offensive against the "Reds" at Ninghua, "Red" stronghold in western Fukien. Airplanes have been despatched to scatter 150,000 leaflets over the bandit areas advising surrender. Cash rewards of $20,000 each are offered for Chu Te and Mao Tse-tung, the notorious bandit leaders.

The *China Times* on July 1 reports that the Japanese are extremely active in Fukien. Apart from sending a large number of spies to the interior of the province, they are alleged to be supplying the Reds with arms.

Interviewed on his inspection tour along the Honan-Hupeh-Anhwei border, General Chang Hsueh-liang, Vice-Commander-in-Chief of the Bandit-suppression Forces for the three provinces, pointed out that the task of exterminating the remnant outlaws is by no means difficult. But, he said, the cause of the sufferings of the people should be first removed by abolishing the exorbitant levies and miscellaneous taxes. If the gentries are just and unselfish towards the common people, the "Reds" will be deprived of the pretext to sow their seditious propaganda.

The Communists on the Hupeh-Honan border have again become active. On the night of June 21, the 10th and 8th Government brigades, while patrolling in the vicinity of Hwayuan on the Hupeh side of the border, encountered a strong detachment of Communists. Sharp fighting immediately followed which lasted all night. On the following morning fighting was resumed and the Communists made four attempts to launch a bayonet charge but every time they were beaten back with heavy casualties. Fighting continued until June 23 when the tables were turned with the Government forces assuming the offensive. The Communists are now retreating towards the Honan border.

Sanguinary fighting occurred between the 105th Government Division and the "Reds" at Yangpingkow near the Hupeh-Honan border during the week-end last week. All bandit assaults were repulsed by the Government troops by means of machine-guns and hand grenades. Both sides resorted repeatedly to bayonet charges.

While the Szechuen troops are attacking Wanyuan, the Communists are counter-attacking Tungkiang, which was recently captured by the Government Force. Fighting of a most serious nature is now in progress around Tungkiang with both sides suffering heavy casualties.

In a telegram to the Central authorities, General Wang Chia-lieh, Chairman of Kweichow, states that the "Reds" invading Wuchuan, northern Kweichow, have been repulsed by the Kweichow troops. The marauders are now concentrating at Houping, in the extreme north of Kweichow. A portion has fled to south of Yuyang, southern Szechuan, and Kanlungkow in Sungtao, north-eastern Kweichow, in an attempt to effect junction with the outlaws under Ho Lung in Kweichow. General Wang announces that he has decided to proceeed northwards from Kweiyang to supervise the campaign in person.

The Anti-Red Association in Kweichow has addressed an urgent telegram to Nanking, asking that the Government give the Kweichow authorities every assistance in the suppression of Communists in that province. The Association pointed out that the Reds are marching steadily southward with the obvious intention of occupying the eastern half of Kweichow as base of their future activities.

Hu Han-min Predicts Renewed Southern Hostilities

Hu Han-min, retired Kuomintang leader at Hongkong, in an interview with the China correspondent of the *New York Herald Tribune* on June 9, predicts imminent Southern hostilities on account of the recent concentration of General Chiang Kai-shek's troops along Fukien and Hunan borders. A closest living disciple of the late Dr. Sun Yat-sen, Mr. Hu is a most outspoken critic of General Chiang Kai-shek. In the event of the outbreak of South China hostilities, Mr. Hu, who recent conferred with General Li Tsung-jen, the Kwangsi military leader, states Kwangtung and Kwangsi Forces will forget past differences and present an united front against Chiang. Mr. Hu charges General Huang Fu, Chairman of the Peiping Political Council, with having secretly negotiated an agreement with Japan for the resumption of through traffic between Mukden and Peiping and establishment of postal relations with Manchukuo and other concessions. Mr. Hu predicts that as soon as the terms of the Agreement are made public, internal complications in China are bound to follow. He adds that such agreement opens way for the recognition of "Manchukuo" by the Foreign Powers.

Commenting on General Chiang's pressure in attempting to dissolve the Southwest Political Council, Mr. Hu says that Kwangtung and Kwangsi provinces are bitterly opposed to the move. The purpose of dissolution of the Council is said to be unification of China, but Mr. Hu asserts that that General Chiang Kai-shek's unification policy means "Unify China for the Japanese." Mr. Hu accuses General Chiang with selling out China to Japan in order to further his own personal ambitions.

The Nanking Government, which three years ago ousted Mr. Hu, when he was President of the Legislative Yuan, has since frequently invited him to rejoin the Nanking Regime. He states that he will gladly assume Governmental office, if Nanking meets his three conditions: 1. Adopt a firmer foreign policy in regard to the aggression of a certain Power. 2. Sincerely attempt to suppress Communists—Hu infers that General Chiang Kai-shek's campaign is chiefly motivated to swell his military funds—and 3. Place the Government's military forces under civilian control.

Commenting on Japan's military activities in Manchuria and elsewhere in China, Mr. Hu blames the previous "Wait and see policy" on the part of Britain and America adding that if Japan had thought Britain and America were cooperating in the Orient, she would have never dared so boldly to undertake the territorial grab involving treaty violations.

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According to *Reuter* message from Rome July 1, when General Tsai Ting-kai, the Chinese defender of Chapei against the Japanese in 1932, visited Signor Mussolini in the course of his present visit to Italy the Duce greeted him as an old friend. "I have known you for two years," said Signor Mussolini. "I saw you on the films." Before leaving Italy, after a stay of some weeks, General Tsai Ting-kai said, "Everything in Italy bears the sign of the Duce's will. We in China have for 10 years been following his work, which has crossed the frontiers of your country and assumed a world importance."

As a result of repeated exchange of views between General Ho Chien, Chen Chi-tang, Li Tsung-jen and Pai Chung-hsi, it was agreed in principle that the two Southwest organizations, the South-west Political Council and the Southwest Committee of the C.E.C. be abolished. However, the South-west leaders hold that as the establishment of the two organs was sanctioned by the Fourth Congress of the Kuomintang its abolition should be effected by orders of the Fifth Party Congress, which is to be convened in coming November.

It is further reported that the following points were also agreed upon among General Ho and the Kwangtung and Kwangsi leaders:

(1) The four Route armies will closely co-operate with a view to exterminating the Reds in Kiangsi and Fukien within three months.

(2) Concerted steps will be taken by the southern provinces to strengthen national defense and also to carry out reconstruction with a view to consolidating both their political and economic position.

(3) Regarding party and political questions, the present status quo will be maintained pending the Fifth Kuomintang Congress, at which such issues will be brought up for discussion and final settlement.

General Ho Chien arrived at Hongkong from Canton morning June 29. Shortly after arrival, he paid a visit to Hu Han-min, with whom he had a brief talk. After the interview, General Ho, accompanied by General Hsueh Yueh, Commander of the 6th Route Communist-suppression Army, departed for Shanghai aboard the Canadian Liner Empress of Canada.

The Canton authorities are not permitting the "New Life" movement sponsored by General Chiang Kai-shek to gain much publicity in Canton, according to *Chao Jan Pao*, Hongkong, June 29. The authorities at Canton point out that there are many points in General Chiang's "Outlines of the New Life Movement" which might easily lead to misunderstanding on the part of the public. All papers have also received orders not to publish any news dealing with the movement.

The various commercial guilds and associations at Canton jointly petitioned the Kwangtung Provincial Government for the abolition of the exorbitant levies and miscellaneous taxes in Kwangtung from July 1, in accordance with the resolution adopted by the National Finnce Conference.

The Canton Provincial Government has issued a circular telegram to all districts in the province ordering the arrest of persons who participated in the Fukien uprising. A list of three hundred odd names was given to the local authorities for their reference. The men wanted include Dr. George Hsu Chien, Admiral Sha Cheng-ping and the famous playwright Aoyang Yu Chien.

Chiang-Ho Conference Slated to Take Plaee at Nanking

A conference between General Chiang Kai-shek, Chairman of the Military Affairs Commission, and General Ho Chien, Chairman of Hunan and concurrently Commander-in-Chief of the Western Route Bandit-suppression Forces, is scheduled to take place at Nanking latter part of this week. General Chiang who had been visiting his home town, Fenghua, during the past few days returned to Nanking on July 6 by the gunboat "Chungshan." General Ho, who arrived at Shanghai from Hongkong on July 1, left here for Nanking on the 5th. General Ho will submit a detailed report to General Chiang on the results of his conferences with the Kwangtung and Kwangsi military leaders in connection with the bandit-suppression campaign in Kiangsi. General Ho expects to remain in Nanking for several days before returning to Changsha, provincial Capital of Hunan.

In an interview at Nanking July 1, a high government official stated that General Chiang Kai-shek is determined to completely wipe out the "Red" outlaws before the end of

September. The convocation of the 5th National Congress of Kuomintang Delegates, scheduled to be held on November 12, will not be postponed, he continued. The abolition of the South-western Branch of the Central Executive Committee and the South-western Political Affairs Committee will then be decided upon.

Railways Minister Impeached on Various Charges

An impeachment against Ku Meng-yu, Minister of Railways, has been brought by the Control Yuan in a petition to the National Government. Minister Ku is charged with impairment of the national sovereign rights, violation of the national law, impairment of the national interests, dereliction in official duty, and corruption. The charges against Minister Ku are based mainly on certain alleged irregularities in the procedure for conclusion of a loan from French interests for the purchase of materials for the completion of the Tatung-Tungkwan Railway (from northern Shansi to the Honan-Shensi border). Substantial evidence in support of the charges of violation of law and corruption in connection with the conclusion of the above-mentioned loan was obtained after an examination of the procedure for the conclusion of the loan agreement, and a scrutiny of the terms of the said agreement. The agreement, consisting of 12 articles, provides for the delivery of railway materials in 16 months, and redemption of the loan in 11 instalments in six years; the entire loan to be amortized by January of the 28th Year (1939). The loan is to be redeemed with the profits from the Chengting-Taiyuan Railway, but is to be indirectly repaid through a group of five Chinese banks.

Minister Ku issued a lengthy statement July 1 in refutation of the charges of violation of law and corruption preferred against him by the Control Yuan. Among other things, Minister Ku points out that the agreement, on which the charges against him are based, is only an agreement "for the purchase of railway materials," and must not be regarded as a loan agreement. The agreement was signed on March 6, 1933, and submitted to the Executive Yuan on April 4, for record. Moreover, the agreement was not signed until tenders from many quarters had been considered. The tender of the Paris Industrial Electrical Works was accepted because its terms were more reasonable than those from other companies. The project for the construction of the Tatung-Tungkwan Railway, for which the loan was originally intended, has been dropped, Minister Ku points out, because the Shansi Provincial Government decided to construct the Tatung-Puchow Light Railway, which, when completed, would run paralled to the proposed Tatung-Tungkwan line. In conclusion, Minister Ku hits out against the Control Yuan official making the charge with a countercharge of malicious and wilful defamation.

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Beginning from July 15, the Legislative Yuan will have a six-week recess in view of the intense heat. During the vacation, the members will prepare and study the various laws and ordinances to be discussed and enacted in the months of September, October, November, and December. Discussions will be made in the following order, as announced by the Yuan:

September—The draft Permanent Constitution.

October—The Criminal Code; Criminal Procedure Law; and Civil Procedure Law.

November—The District Government Law; Law governing enforcement of the Land Law; Accounting Law; and Insurance Law.

December—The Audit Law; Bankruptcy Law; and Law governing the Registration of Commercial Guilds.

General Chiang Kai-shek has issued a circular to the provincial governments, party offices and military organizations in Honan, Anhui and Hupeh instructing that party members have no right to interfere in politics. General Chiang also ordered that no person shall serve as an official in the party office in his native place.

General Chiang in an order to the Nanking Municipal Government ,require that a definite period be set for the completion of all important thoroughfares in the Capital. The Municipal Government has accordingly instructed its Bureau of Public Works to speed up the plans so that work may be started immediately.

For the purpose of exercising better supervision over the officials in the provinces the Control Yuan has decided to appoint a number of Control Commissioners to the provinces. The Yuan has divided the country into sixteen control districts, each under the control of a Commissioner. The Commissioner will have the co-operation of the local authorities if such is required.

Yu Yu-jen, President of the Control Yuan, has decided to ask a leave of absence from the Government in order to enable him to recuperate his health in his native town in Shensi.

General Liu Chen-hua, Chairman of the Anhui Provincial Government, has tendered his resignation. It is understood that his resigntaion will be accepted by the Government. The Control Yuan has brought up an impeachment against General Liu for ruthless killing of innocent people in Anhwei.

For the purpose of raising funds for the repair of the Yellow River Bridge on the Peiping-Hankow Railway and for effecting necessary repairs along the entire line, the Ministry of Railways is now negotiating a loan of $30,000,000 with the local Chinese banks, it is learned from banking circles in Shanghai. The banks concerned are new considering the issue.

The Ministry of Communications ordered the abolition of the Examination Committee for Marine Officers and Engineers on June 30. All affairs of the Committee will be turned over to the Department of Navigation under the Ministry.

The Regulations governing the issuance of the 23rd Year (1934) Greater Shanghai Municipal Loan (for $3,500,000), together with the table for the amortizatoin of principal and payment of interest there-of, were adopted at the meeting of the Legislative Yuan held July 29 under the chairmanship of President Sun Fo, in accordance with the report of the Yuan's Finance Committee.

The Overseas Affairs Commission at Nanking has decided to send a special envoy to Siam to inspect the conditions of Chinese overseas in that country. The envoy will also advise the Chinese community there to invest in the development of industry in China.

Cash rewards offered by the Government for the discovery of the missing Japanese Vice-Council, Mr. Kuramoto, were distributed yesterday by Chen Tso, Chief of the Metropolitan Police, as follows: Chang Yen-ting (who first reported the discovery of Kuramoto) $2,200; Wei Tsung-ching and Ho Cheng-lin (two workers at the Mausoleum Park) $1,000 each; the staff at the Mausoleum Park $200; the proprietor of the Liu Shun Hsing tea-shop $100; and the guards at the Sun Yat-sen Musoleum $500. The Metropolitan Police and Gendarmerie, who participated actively in the search, were given $3,000 and $2,000 respectively.

H. H. Kung Contemplates Inspection Tour to Northwest

Dr. H. H. Kung, Minister of Finance, arrived at Tai Yuan from Peiping June 29. He was welcomed by over a thousand representatives of official and public institutions, including General Hsu Yung-chang, Chairman of Shansi. Interviewed, Minister Kung said that he has come to Shansi, firstly, to inquire after the health of General Yen Hsi-shan, secondly, to inspect the financial situation in Shansi, and thirdly, to attend the commencement exercises at the Ming-hsien School, of which he is the founder. After referring to his impressions during his tour abroad, Minister Kung urged the people of Shansi to continue to co-operate with the Government in the work of economic reconstruction and commercial development.

Minister Kung returned to his native home at Taiku June 30. He will return to Taiyuan on the 4th en route to Hopientsun where he will call on General Yen Hsi-shan, Director of the Taiyuan Pacification Headquarters. In response to an invitation from Shao Li-tze, Chairman of Shensi, he will pay a brief visit to Sian and inspect the reconstruction work in the Northwest. Returning to Nanking by way of the Lung-hai Railway, he will break his journey at Kaifeng to see General Liu Shih, Chairman of Honan, and discuss with the latter on financial reforms in Honan province. The Finance Minister is expected to return to the Capital middle of July.

Saito Cabinet Resigns Because of Finance Ministry Scandals---Admiral Okada Succeeds

THE long-expected resignation of the Saito Cabinet took place July 3. Received in a special audience at 1.30 p. m. on said date, Premier Viscount Makoto Saito submitted to the Emperor the resignation of his Cabinet en bloc. The Government had decided to resign, taking the blame, in compliance with the Japanese doctrine of responsibility, for the scandal involving Hideo Kuroda, former vice-minister of finance, and two of his subordinates—at its reguar bi-weekly meeting which had opened at the Premier's residence that morning. Thus, as *Rengo* says, was ended the two-year stormy career of the Saito cabinet formed May 26, 1932, as a "stop-gap" government in the crisis succeeding the "patriotic" assassination of Tsuyoshi Inukai, then Prime Minister.

Summoning all Cabinet Ministers to his official residence July 2, Premier Saito announced to them that he had reached a definite decision to submit to the Emperor the resignation of the Government, en bloc, the following day. Justice Minister Matsukichi Koyama had reported on the investigation of graft charges against K. Kuroda, former Vice-Minister of Finance, and other high officials of the Finance Ministry. Mr. Koyama announced that his investigations had established the guilt of Mr. Kuroda and others.

Previous advices from Japan were to the effect that attempts had been made by influential politicians, who were eager to see the Saito Cabinet resign quickly, to induce General Hayashi, Minister for War, to throw his weight into the scale in support of their cause. Many calls had been made recently on the War Minister by such politicians with this end in view. General Hayashi was pictured as regarding with anxiety and dissatisfaction the prolonged state of polical uneasiness, which hampered the smooth conduct of State affairs. At the same time, he was well aware that in view of the nature of the case it was impossible for outsiders to do anything to expedite the judicial examination.

The Saito Cabinet was formed in May 1932, after former Premier Tsuyohshi Inukai was assassinated by a group of Fascist Army and Navy officers in the notorious May 15 incident. Four Ministers have resigned during the past two years, those quitting the Government being Count Yasuya Uchida, Foreign Minister, General Sadao Araki, War Minister; Baron Kumakichi Nakajima, Minister of Commerce and Industry and Ichiro Hatoyama, Minister of Education. Count Uchida and General Araki, Japan's outstanding Fascist leaders, were succeeded by Koki Hirota and General Senjuro Hayashi, respectively, early in 1934, their resignations being due to ill health. General Hayashi also had submitted his resignation once, following the sentencing of his brother to prison after conviction for taking part in the Tokyo municipal government graft ring, but the resignation was rejected by the Emperor. Baron Nakajima was forced to quit his post in the Saito Cabinet because of public furore over an essay which he had written for a magazine ten years before, praising "Yakauji Ashikaga," who, several hundred years ago, betrayed the Imperial Family. He was succeeded by Joji Matsumoto, also a member of the House of Peers. The last Cabinet Minister to surrender his post under Premier Saito was Mr. Hatoyama, who was charged by Kazumi Okamoto, a member of the House of Representatives, with having accepted a bribe of Yen 50,000—which subsequently was not substantiated.

Admiral Keisuke Okada was appointed Premier to succeed Viscount Saito, by the Emperor, July 7.

Minister Takahashi Is Sarcastic

When asked to give his opinion on the Finance Ministry scandals recently, Mr. Takahashi said: "Have you ever heard the story of the lone fish that became lost because the moon was too bright on a cloudless night? Well, I think this is about the same thing."

Navy Minister Admiral Mineo Osumi was reported by the *Osaka Mainchi* of June 24 to be deeply concerned with the present political uncertainty, because in his opinion this was precisely the time when the country should have a strong government, enjoying unqualified national confidence, which would handle the important naval issue with firm conviction. The navy circles consider it deplorable that, in the face of the 1935 naval conference the preliminary negotiations for which have already begun in London, there should be a lack of national confidence in the government. If such a state of affairs is allowed to drag on, they think the adverse effect will be great.

No Army Cabinet in Sights, Says Dr. Washio

Dr. S. Washio wrote in the *Japan Advertiser* June 23: "An army cabinet suggested sometimes in the days of General Araki's War Ministership, which the army itself really never had any intention of creating, has dropped from speculation since General Hayashi came in. The new War Minister stated in the Diet that except in relation to national defense the army would not interfere with politics. This is a definition and has not in fact prevented the virtual expression of the army's disinclination to General Ugaki, but it had the effect of telling the public that the army has no positive intention in politics. Baron Hiranuma, who was believed to be the army's favorite until about two years ago, has since been less so. He may still be preferred to any other man, but since the appointment of Dr. Ikki as President of the Privy Council it has been generally believed that he is out of favor with the Genro, and the army apparently has not strong enough sympathy with him, at present at least, to hope for him to become Premier against the Genro's wishes. It is even reported that the army's diagnosis of the pending political situation is that if an intermediary report be made by the Justice Minister and the Saito Cabinet resigns in consequence, the resignation will be returned by Throne. And the report is denied."

Big Increases to Be Asked for Army and Navy

The principles governing the organization of next year's budget were discussed by the Japanese Cabinet June 26. It is admitted on all sides that there will be big increases in the naval and military claims in view of the so-called 1935-36 emergency. The *Osaka Mainichi* June 20 stated that as far as can be anticipated with reasonable certainty, the appropriations to be requested by the navy, in addition to ordinary expenditures (which are fixed), will be greater than those asked in any previous budget, being expected to reach Yen 600,000,000, which exceeds by more than Yen 100,000,000 the inflated budget of the present year. The expenditure on the continuous naval building plan, wich was in the current budget Yen 66,854,000, will increase in the next year to Yen 100,445,000. No small amount will be required to create eight air corps. Then there are expenses for remodeling ships, for strengthening weapons, and for many other items regarded indispensable by the navy. Taken together, the total estimate of extraordinary claims by this office will exceed Yen 600,000,000. Next to the navy will come the army in demand for heavy expenditures. While the so-called Manchurian-case expenditure does not promise to diminish, there are various additional claims to be made on the ground of the coming national crisis in 1935-36. The army expects to ask a heavy appropriation for strengthening the country's air forces, which are regarded as precariously insufficient.

Reforms Urged in Department of Agriculture

The authorities of the Department of Agriculture and Forestry are directing earnest attention to the qusetion of reorganizing the Department in order to cope adequately with the changed conditions of agricultural administration. Japanese agriculture is no longer free from the consequences of conditions abroad. In its domestic relations also, the shrinkage of the purchasing power and other factors render it impossible for the "production first" policy hitherto followed to be enforced without changes being made. There has been a steady increase in the need for control of production, without which, it has been shown, the condition of the farmer can but go from bad to worse. These circumstances have led the authorities of the Department of Agriculture and Forestry to the belief that the agricultural administration of the Government calls for drastic reform, if agricultural interests are to be saved from a worse lot. In conjunction with the compilation of the Department estimates for the next fiscal year, they are pushing on the necessary preparations for the projected reforms. One feature of this scheme is to establish an Agricultural Control Board under the presidency of either the Minister or the Vice-Minister of Agriculture and Forestry as the highest organ directing agricultural administration.

Finance Minister Takahashi made a recent statement on Japan's finances, the gist of which as follows: "Since the compilation of the 1934-35 budget, the upward trend of national revenue has continued. However, the deficit bonds issued for the 1934-35 fiscal year total Yen 810,000,000, equivalent to 30 per cent of the total revenue and greater by Yen 36,000,000 than the total taxation receipts. If the condition of the lack of revenue is maintained, the foundations of national economy and national defense will be endangered. For the return of a balanced national economy, the united efforts of all the ministers is necessary. "In order to avoid ill effects upon the national finance and purchasing power of the people, the national bond issues should be kept as low as possible."

Yoshishige Mogami, proprietor of Koshimura Yoko, photographic supplies dealer of Tsingtao, and eight others were sued in Kobe June 28 for Yen 300,000 in import taxes which they allegedly have evaded by smuggling more than 200 photographic cameras, valued at Yen 20,000.

A large number of promotions and transfers of high army officers is expected to be included in the regular army list of next August. It is reliably understood that Lieut-Gen. Kenkichi Uyeda, Vice-Chief of General Staff, and Lieut.-Gen. Yoshikazu.

Nishi, Commander-in-Chief of the Tokyo Garrison, will be promoted to the rank of a full-general respectively and will take up the supreme command of Japanese Armies in Formosa and Korea.

Navy Officers Accused of Bribery in Sasebo Arsenal Work

A scandal involving a navy commander, 15 other navy men and 50 contractors has broken out at the Sasebo naval arsenal. According to the *Asahi*, the scandal was discovered early in April and since then a large number of contractors supplying material to the arsenal have been summoned for questioning. The navy principals in the case are said to be the commander and an engineer. The two are stated to have been bribed and elaborately entertained by contractors, and that they cancelled contracts with other supply men who refused to bribe them.

Investigations into graft and corruption involving several high officials of the Okayama Railroad Transportation Bureau of the Ministry of Railways have shown that corruption was widespread. Twelve persons have so far been arrested by police including Chuichi Otsuka, station master of the Hyogo Railway station, for alleged participation in the graft.

2000 Members of Communist Labor Organization Arrested

The press ban lifted June 25 revealed that approximately 2,000 members of a revived Zenkyo (Communistic labor union organization) were arrested in the last year in the prefectures of Aichi, Kanagawa, Nagano, Okayama and Ishikawa. Koreans were prominent in the organization. Nearly all the 2,000 placed under arrest were members of the Public Works and Builders Union, members of which were among the thousands of workers employed on the Tanna Tunnel. Others had filtered into road crews and forces of workmen on other important public works. Local branches were formed whenever possible and members contributed fees of from 10 to 20 sen monthly in exchange for a publication setting forth the radical purposes of the Zenkyo. Immediately after the arrest the police confiscated important documents regarding instructions to be followed in the furtherance of the movement in Ishikawa Prefecture. A press ban was imposed, and authorities proceeded with investigations and raids in the district.

Communists and Reactionaries Sentenced by Tokyo Court on Same Day

Sentences ranging from two to eight years at hard labor were pronounced in the Tokyo District Court June 30 against seven offenders of two diametrically opposed political affiliations. Jin Nishidate, charged with Communistic activities together with Sho Ozaki, former procurator of the Tokyo District court, was sentenced to eight years at hard labor after he had appealed an earlier heavier sentence. Ozaki drew two years, while Reisaku Takida and Rikunosuke Fukuda, co-defendants, were respectively sentenced to three and two years of penal servitude.

Susumu Noguchi, former bantamweight boxer, who failed in an attempt to assassinate Baron Reijiro Wakatsuki, former premier and president of the Minseito party, was sentenced to six years of hard labor. Haruo Matsui and Takesaburo Ozawa, his accomplices, each drew terms of seven and four years.

Two young Japanese are being held for trial on charges of plotting to assassinate General Ugaki, Governor-General of Korea, while he was in Japan recently. One of the prisoners, Tetsuno Kobayashi, a student in the commercial college of Nippon University and a member of the reactionary National Salvation Society, has confessed. The other accused is Genichi Mizukami, a graduate of the same university. Kobayashi is to be prosecuted on a charge of attempted murder and Mizukami on a charge of complicity.

The surprising fact that the Mitsubishi Bank in Tokyo—one of the largest banks in Japan—contained a powerful cell of the Communist party, was disclosed by the Tokyo Metropolitan Police Board June 22 after their strict examination of six clerks arrested on charges of Red thought on February 27. Eitaro Gomei (25)—one of the six—who joined the bank upon graduation from Nihon University, formed the group, himself becoming ring-leader. He is said to have presented sums of money to the Japan Communist party on various dates since May, 1932.

Pushing their investigation of the charge that Moise Galkovitch, former First Secretary of the Soviet Embassy in Tokyo had been an active supporter of the Communist movement in Japan, the Metropolitan Police Board last week detained and questioned Ujaku Akita, leftist commentator. Akita was the founder of the Society of the Friends of the Soviets, an association maintaining a close relationship with VOKS, the Soviet Association for International Cultural Relations. Tadashi Kato, secretary of the Society, confessed, according to police, that Mr. Galkovitch had given financial assistance to the Japanese Communist Party through contributions to the Society. Kato, the police state, has admitted membership in the Communist Party.

Miss Nami Yetani and her sister, Miss Teru Yetani, typists employed by the General Staff, were detained by the Metropolitan Police last week on suspicion of being members of the Communist Party. Three other young women arrested with them were released.

Prince Ayamaro Konoye, Speaker of the House of Peers, is hurrying back to Japan from the United States accompanied by his son. It is generally interpreted that his sudden return to Japan is the reflection of the important political change that is expected to materialize at no distant date.

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Japanese Torpedo Boat Cuts Sister Vessel in Two

While plowing their way through heavy swells, the *Miyuki* and *Inazuma*, crack 1,700-ton flotilla leaders attached to the Second Torpedo Boat Squadron, crashed into each other at about 6 o'clock June 29, south of Quelquepart Island off the southernmost tip of the Korean peninsula. The *Inazuma*, cruising at a fast clip, ran her sharp bow into the stern of *Miyuki*, cutting the vessel in two. Five men were reported killed and an unknown number of them injured in varying degrees of seriousness. The *Inazuma* sank while being towed toward Sasebo.

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General Electric Loses Control of Tokyo Denki Kaisha

The Tokyo Denki Kaisha, one of the largest electric manufacturers, which has hitherto been controlled by the International General Electric Company of America, last month passed to pure Japanese control. Capitalised at Yen 39,500,000, with Yen 28,975,000 already paid up, the Company specializes in the manufacture of electric bulbs, instruments, chemical apparatus, X-ray instruments, radio sets and television sets, all under I.G.M. Of the 790,000 shares, 395,000 shares had hitherto been owned by the I.G.M. Company. Pursuant to the Government industrial policy and from the national defence point of view, the Japanese management has been very anxious to eliminate American influence. The *Japan Chronicle* states that several months ago Mr. Yamaguchi, the president, visited America with his plan. He secured the consent of the I.G.M. management for the transfer of 79,000 new shares to the Nippon Kenki Kaisha, a subsidiary of the Nippo Denki for a lump sum of Yen 6,160,000. The is equivalent to Yen 78 against Yen 25 paid up. The present transfer will have no effects on business relations between the two companies and the Tokyo Denki will be allowed to use all I.G.M. patents in Japan. The Denki Kaisha has paid an average dividend of 18½ per cent. in the last eight years.

Shanghai's Exports During 1933 Show Increase of $69,000,000 Over 1932

The annual report on the foreign trade of China for 1933, published by the Inspectorate General of Chinese Customs in Shanghai states that there was an increase of 27.5 million dollars in the revenue collection for the year. It should be noted, however, that the previous year's figures included the sum of $19,468,231 collected at the Manchurian ports during the first six months of 1932, and that there were no receipts from this source during 1933 except an insignificant amount that could not be brought to account previously. Fiscal changes influencing the collection for the year were as follows: the introduction in May of the Provisional Revisional Revised Import Tariff of 1933, a tariff that imposed higher rates of duty of some 60 to 70 per cent. of the various classes of goods enumerated in it; the levy as from April of an export duty of 20 per cent. ad valorem (approximately equivalent to the mintage charges on the coinage of dollars) on silver sycee, bars, ingots, slabs, and silver in mass shipped abroad, a levy which was fairly profitable on account of the large exportations made to take advantage of the high silver prices ruling in New York; and the levy of an import duty on foreign rice and wheat.

The total collection for the year, including surtaxes was $339,524,490 as compared with the previous year's collection of $311,976,210, an increase of 8.83 per cent. The collection included import duty, $265,610,811; export duty, $23,244,999; interport duty and interport surtax, $18,003,322; tonnage dues, $4,402,648; flood relief surtax, $14,126,788; and revenue surtax, $14,126,919. Of the more important revenue-collecting ports, Shanghai, with a collection of $176,197,170 as against $143,617,423 in 1932, regained its position as contributor of over one-half of the revenue.

The value of the trade of Shanghai in so far as it is now recorded by the Customs was as follows: direct foreign imports, 736.2 million dollars as against 795.2 million in 1932; direct exports of Chinese produce to foreign countries, 315.8 million dollars as against 246.7 million; coastwise imports of Chinese produce, 220,3 million dollars as against 272.3 million; and coastwise exports (including re-exports) of Chinese produce, 487.8 million dollars as against 501.3 million. The statistics show that the value of foreign imports declined by something over 7 per cent. as compared with the figures for the previous year; that the value of exports to foreign countries increased by almost 28 per cent.; and that the total value of the direct trade with abroad increased by 10.1 million dollars, or almost 1 per cent.

Salvation Corps Captures Town in Kirin Province

A contingent of the China National Salvation Corps June 28 captured the town of Latzekow, in Kirin Province, after a hard-fought battle with soldiers of the Manchukuo Garrison and members of the police force there. The Chinese volunteers, numbering only about 1,000 began their attack upon the defenders beginning of last week. The Manchukuo soldiers put up strong resistance, but were defeated and disarmed on the morning of June 28. The Japanese Army is planning to lead a contingent of Manchukuo soldiers to exterminate the attackers.

In a clash between about 200 Manchurians and 100 Koreans at Panchiaotzu on the Mukden-Shanhaikwan Railway line June 20 following a sudden attack by the Manchurians on the Korean village, four Koreans were seriously wounded. One is missing.

Seven persons, including four Manchukuo officers and soldiers, were carried off by bandits who derailed and looted the freight train number 92 between Taimakou and Muling on the eastern line of the Chinese Eastern Railway June 24. Upon receipt of the news a party of Japanese troops rushed to the scene from Muling. The bandits laid in wait of the freight train after having destroyed five or six meters of railway.

1,930 Japanese Soldiers Killed Since Manchurian Incident

A *Rengo* message from Tokyo July 1 stated that according to recent figures, 1,930 Japanese soldiers have been killed and 5.949 wounded since the outbreak of the Manchurian Incident on September 18, 1931 up to January 1, 1934.

Japanese Army authorities are busily engaged in preliminary plans for the establishment in Manchukuo of a Japanese governmental bureau of control, which will supplant the present "triple-post system" represented by the simultaneous holding by one man of the offices of Governor-General of the Kwantung Leased Territory, Commander of the Kwantung Army and Ambassador to Changchun. The *Yomiuri* June 25 said that the establishment of the control organ was consideredessential in the establishment of a permanent policy toward Manchukuo, which in turn is a cardinal part of the general Japanese defense plan,

The "Manchukuo" military system underwent fundamental reforms on July 1. The whole of Manchuria excepting Hsingan Province, was divided into five administration districts, each consisting of two to three zones and each zone having one or two brigades—The five administrative district headquarters and their respective commanders-in-chief follow. First District: Mukden. General Yu Tsu-shan; Second District: Kirin—General Chi Hsing; Third District: Tsitsihar, Lieut-General Chang Wen-tao; Fourth District: Harbin—General Yu Chen-sheng; Fifth District: Jehol City (Chengte)—General Chang Hai-peng.

Manchukuo Budget Shows Increase

The Manchukuo government June 21 announced the budgetary estimates for the next fiscal year, which were drafted by the accountants in the general affairs bureau of the State Council. The total revenue and disbursement will each stand at Yen 188,725,058, which when compared with the budget for the preceding fiscal year, shows an increase of Yen 39,555,880.

"General" Businessmen Are Welcome in Manchuria

An official statement was made public through the Manchukuo Legation last week that the Manchukuo Government welcomes public business and industrial enterprises in general in that country while the government may at times consider some sort of special supervision to the industrial and business enterprises, which are directly connected to the national defense of Manchukuo, and to those on communications, iron mining, light-metal and gold mining, coal, mineral oil, automobile, alkali and lumber, which constitute the fundamentals to the general industries, it invites general businessmen to go ahead with their business propositions in Manchukuo.

Japanese and Soviets Still Haggle Over C.E.R.

New concrete proposals for the transfer of the Chinese Eastern Railway from Soviet to Manchukuo ownership are understood to have been presented by Mr. Yureneff, Soviet Ambassador to Japan, to Mr. Hirota, Japanese Foreign Minister, in an interview at the Tokyo Foreign Office June 28.

A total of 1,032,000 gold roubles will be spent for the education of Soviet and "Manchu" children in the North Manchuria Railway (C. E. R.) schools during the next fiscal year, the Board of Directors of the C. E. R. has decided. The Manchukuo and Soviet Government will each put up half of the amount in the form of grants.

The Russian Military School, maintained by the White Russian Military Association, started two years ago by a number of generals, living in exile, held its graduating exercises in Harbin June 24.

One hundred and twenty young Manchus between the ages of 17 and 21, will be recruited for the Manchukuo River Defense Fleet, the Department of Defense announced at Hsinking, June 29.

S. M. R. to Spend Yen 100,000,000 on New Railways in Manchuria

At the general meeting of shareholders of the South Manchuria Railway Company held June 20, the proposal of the Board of Directors to issue loans to an extent of Yen 200,000,000 was approved. According to accounts submitted at the meeting, the Company secured a profit of Yen 42,920,000 for the 1933-4 business year, its receipts amounting to Yen 248,000,000 and payments to Yen 205,080,000. Compared with the previous year, this shows a decrease of Yen 18,360,000, but exclusive of the Yen 42,770,000 Manchukuo Railway loan interest included in the profit for that year, this indicates an increase of Yen 24,410,000. It is reported that the Company expects to spend approximately Yen 100,000,000 on the construction and improvement of the Manchukuo State Railways. Its investments in the Showa Steel works, the Manchuria Chemical Company and other industrial enterprises will reach Yen 34,000,000. The Yen 200,000,000 loan program as above mentioned is intended to cover these expenditures.

Vice-Admiral Takuo Godo, G. Murakami and Shinji Sogo, whose term of office as directors of the South Manchuria Railway Company expires at the end of this month, will probably not be reappointed. The Japanese Overseas Ministry intends to select their successors from outside the personnel of the Railway Company. Vice-Admiral Godo will probably not be re-appointed as he is at present President of the Showa Iron and Steel Works at Anshan, a S.M.R. subsidiary.

Replacement of the Japanese Overseas Ministry's supervisory system over the South Manchuria Railway by an audit system similar to that in operation in the Manchuria Telegraph and Telephone Company is being planned by the Ministry, as a means to achieve the proposed national reorganization of the S.M.R., a recent Tokoy message stated.

Soviet Ships Start on Northeastern Arctic Expedition

The first ships of the North-Eastern Arctic Expedition have sailed for the Arctic regions from Vladivostok. This expedition is carrying out geological prospecting for tin, coal, and gold in the Chukotsk Peninsula. In the regions of Bear Island, of Caper North, Shelag, Wankarem, Onman, Dejnew, Serdze-Kamen, of Koliuchinsky and Providence Bays and Wrangel Island, wintering staffs will be relieved, and the construction of airports, aviation beacons, etc. will be started. Seven ships are participating in the expedition.

The Soviet Board of the Northern Sea Route is building new aviation bases on the Arctic Ocean. The aviation base on Cape Severny is being expanded and 12 airplanes will be added to those already stationed there.

Extensive work is being done this year on the construction of new motor-roads in Central Asia. The Great Kirghiz Road, over 700 kilomoters in length, is being built between Frunze (capital of Kirghizia) and Osh, connecting the northern and southern parts of the Kirghiz republic, and linking them with the Pamir by the Osh-Horog road which was completed last year.

A Soviet engineer has designed a new airplane for use in agricultural work. The three-seater monoplane, with a speed of 160 kilometers per hour, carries special tanks for seeds and chemicals. Sowing from airplanes will be carried out on an area of 150,000 hectares, extermination of field pests on an area of 958,000 hectares, and the guarding and patrolling of forests by airplanes will be extended to an area of 25,000,000 hectares.

The funding of Russian debts to the United States has reached a stalemate in Moscow. The negotiations are expected to be transferred to Washington.

L. Karakhan, a former Soviet Ambassador to China and later assistant Commissar of Foreign Affairs of the U.S.S.R., has been appointed Soviet Ambassador to Turkey, in place of J. Suritz, who has been transferred to Berlin.

According to reports from Harbin, the Consul-General of the U.S.S.R. in Harbin, Mr. Slavutsky, lodged with the diplomatic agent, Mr. Shimamura, on June 25 a protest in connection with the fact that the authorities were not taking any steps against the provocational statements appearing in the Harbin press.

The fourth tea factory of the Ozurget Region (Georgia) has has started to function, its capacity being 500,000 kilograms of tea per season.

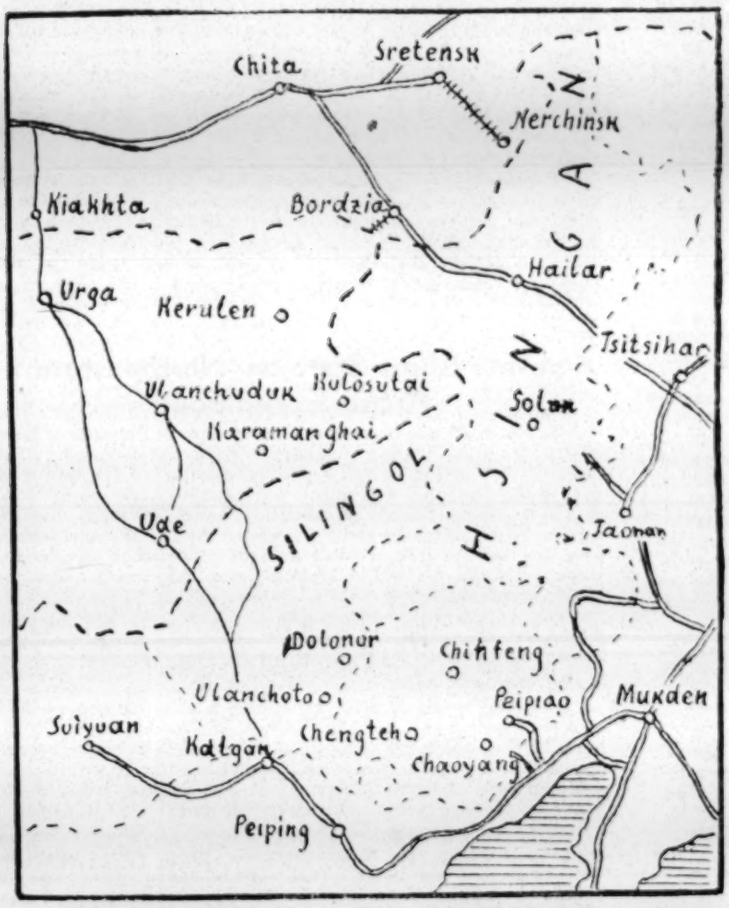
Socony Buys Soviet Oil Products for Near East Distribution

A contract has been concluded between the Soviet Government and the Socony-Vacuum Corporation whereby it will purchase from Russia $500,000 of oil products for distribution in the Near East. The Socony-Vacuum contract involves a total of only about $1,000,000, but is considered particularly significant because it marks the end of the tension between the Socony-Vacuum and the Soviets which has existed since the collapse of the world oil conference in May, 1932.

Mongolians at the Cross Roads

(By The Review's Harbin Correspondent)

SOMETHING ominous is taking place in the relations between the Soviets and Japan, each side sending agents into the neighbor's domain, whose sole purpose seems to be military spying,—the news of which is coming gradually to light. As a rule, the Soviets do not make much fuss about these incidents; whenever they arrest spies, they simply shoot them by firing squads, whereas the Japanese seem to be determined to broadcast such incidents as widely as possible. One of such incidents took place in the latter part of May at Hailar, the news of which has just been released here by the Japanese authorities for publication.



The map showing the location of the Silingol League of Inner Mongolia, which is reported to have become a hot-bed of Soviet-Japanese intrigue.

The two alleged spies, C. Dormaeff and S. Munkueff, are both Buriats, hailing from Trans-Baikal Province, and both were arrested by their own tribesmen—the Buriats—living in exile near Hailar, who handed them over to the Japanese gendarmery in that town . It is stated that, having gone through a sound squeezing at the gendarmery, they have confessed that they had been sent by the Soviet authorities on a spying errand. One of them, Dormayeff, is stated to have related that, prior to joining the Soviet secret service, he lived in the vicinity of Achinsk, in Trans-Baikal Province, and joined the service at the instigation of the chief of the O.G.P.U. in the named town. He was furnished with two horses and 250 dollars in Manchukuo currency, and, one night, smuggled into Manchuria, crossing the frontier in the region of the Three Rivers.

As directed by his chief Beloff, of the O.G.P.U. at Achinsk, Dormayeff disguised himself as a refugee fleeing into Manchukuo from Soviet oppression, and at first mingled with such people, living in the Three Rivers district. Afterwards he moved to Hailar, where he began his clandestine activities. His task was to collect information on the strength, equipment, and movement of Japanese, Manchukuo and Mongolian troops in the vicinity of Hailar. Even more, he had to enlist as a private into a Mongolian regiment, just being organized at Hailar, and once having succeeded in same, he had, in the course of time, to spread discontent among the rank and file of Mongolians, especially against their Japanese instructors.

Spy and Counter Spy

All information likely to be of interest for the O.G.P.U. Dormaeff had to pass to Munkueff, a Buriat, who arrived later, and was living in a Buriat camp near Hailar. Munkueff was in direct touch with Filippov, chief of the O.G.P.U. post at Kachaltui, a frontier village. Besides the military spying, one of their principal tasks was the discovering of the ways through which the Japanese spies work in Soviet territory.

Naturally, it is not known how far they have succeeded in discovering a net-work of Japanese spy system in Russia; the episode is significant in that it has lifted the curtain over the problem, usually hidden from the eyes of outsiders, but about the existence of which there has been no doubt whatsoever. However, the spotting of these two men and their probable execution does not eliminate the spy scare for the Japanese in Manchuria, because, in the first place, the Soviet population of North Manchuria is too big, and there are too many well-wishers amongst the Chinese and White Russians, so that it is almost correct to say that no single movement of Japanese troops in North Manchuria passes away without being known to the headquarters of the Red Army in the Far East.

This fact is, of course, known to the Japanese military authorities in Manchuria, one of the representatives of which, Colonel Komatsubara, is in charge of the military mission in Harbin. For same time past the Soviets are paying a greater attention to Inner Mongolia, "where their agents have become especially active of late," he recently said. According to him, the occupation of Dolonor by the Japanese has alarmed the high command of the Red Army, which has since undertaken a number of measures purported to check any move that might threaten the security of Outer Mongolia from the south. Of these measures, the most conspicuous is said to be the construction by the Soviets of the following automobile highways between Outer and Inner Mongolia:—

(1) From Ulanchudu to the frontiers of Chahar and Suiyuan Provinces.
(2) From Pantzian to the Left and the Right Banners of Silingol League.
(3) From Pampei to Buludo (to be extended to Uchumuchin Banners).
(4) From Ude to all banners of Talikaniyamuchiai.

He also stated that, besides these roads, the Soviets are installing, with the consent of the Nanking Government, short-wave radio stations at Ulanhoto, Pantzian and Ilinhoshun.

In view of conflicting reports about the strength of the Outer Mongolian Army, it is impossible to tell how strong it is, however, it is well to surmise that it certainly reaches a figure of several thousands of well trained, equipped, and officered men. The refugees, flocking into Manchuria from Halkha, relate that, at present, the Soviets do not keep a strong army in Outer Mongolia, with the exception of a small unit at Urga, but they have a very strong army, quartered at Kiakhta, within a striking distance from Urga. According to said reports, all the caravan routes leading from Halkha into Barga an Inner Mongolia are guarded ex-

clusively by Mongol cavalrymen, of whom considerable units are said to be stationed at Kerulen, Kulosutai, Karamanghai, and Ude. In this respect, the Red troops, concentrated at Kiakhta, should be regarded as a reserve force, ready to dash to the frontiers of Outer Mongolia as soon as they are menaced by invaders. Now, since Chahar and Suiyuan Provinces are well saturated with Soviets agents, keeping good watch over the movements of the Japanese troops in Dolonor and Jehol, it is safe to say that the Red Army cannot be taken unawares from this direction, as well.

A curious sight may be seen now in Inner Mongolia, especially in the part occupied by Silingol League Mongols. The territory is squeezed in between Manchukuo and Outer Mongolia, and, although nominally Chinese territory, it feels the Chinese authority so little that, at times, it is feared that it might even cut off itself from China altogether. In a sense, it is a union of kingdoms, ruled by hereditary princes. The pressure brought to bear upon said chieftains by Manchukuo-Japanese agents has become particularly strong since the occupation by the Japanese troops of Dolonor, an important commercial and strategic town, commanding over the routes connecting North China and Outer Mongolia.

Japanese Catering to Mongolian Princes

Since Silingol has become a hot-bed of two kinds of intrigues, one emanating from Outer Mongolia, and the other from Manchukuo, it may safely be said that in their efforts to win the goodwill of Inner Mongolians, the Soviets rely rather on intellectuals and common people than on princes, whereas the Japanese-Manchukuo agents try to win the favor of princes. In this respect, the coronation of Pu Yi as "emperor," with a semblance of "court" at Changchun has certainly been a master stroke on the part of the Japanese, who know too well the fondness of Mongolian princes for titles, orders, and glittering uniforms. Such titles, and decorations have already been conferred on a number of pro-Manchukuo Mongolian "leaders," e.g. Messrs. Patemalaputan and Wu Erh-chin were "promoted" to the ranks of Major-Generals in the Manchukuo Army and given medals for "bravery," although, as a matter of fact, none of them was in the army even for a week. Both are now in command of Mongolian troops, stationed at Hailar and Solun, and commanded, respectively, by Wu Erh-chin and Patemalaputan. It is for the spying into the activities of these troops that the two Buriats were arrested, and now face a trial, if any. Of other Mongolian leaders, who now boast of decorations conferred upon them by the "emperor" a mention should be made of Chimotesaimupeilo, of Hsingan Provincial Government, and of Kuei Fu, of the Privy Council.

As far as I see, none of these four leaders of Inner Mongolia can be called a brilliant one, and their ascendancy is certainly due to the Japanese influence. In fact, there is no difference between them and ordinary Chinese jobholders of the Manchukuo administration. I could not trace out the fate of Kuo Tai-pu, a Mongolian hailing from the Barga district and—as some say—with Daghour blood in his veins, who played considerable role during the Soviet-Chinese conflict in 1929. One fact seems to be certain and that is that he is not among the present Manchukuo administration; he was too a brilliant man to see the genuineness of "the will of 30 millions." If he is alive, I am sure, in time of trial for his tribesmen, he will reappear and lead it to genuine independence, of which he was the apostle.

I will not touch here the subject of double-tracking the Trans-Siberian Railway, which has become a matter of general knowledge, but will have to say a few words on the reported construction by the Soviets of a brand new and strategically important railway parallel to the Outer Mongolian frontier, and which has not had the publicity it deserves. According to information, emanating from the headquarters of the Kwantung Army, which usually keeps the lynx eye on everything that happens in Siberia, it appears that this railway, when built, will connect Sretensk and Nerchinsk in the north with Kerulen in Outer Mongolia, crossing the Trans-Siberian Railway at Bordzia station. It is reported that the two sections of same, first, leading from Sretensk to Nerchinsk, and, second, from Bordzia to the Soviet—Mongolian frontier, have already been completed. As the case is usually with the Soviets, the railway is being built by convicts, the "class enemies" of the Soviets, of whom it is said there have been put to work here 40,000 persons.

The Japanese side, of course, does not wish to be outmatched in this respect and is hurrying up the building of three railways of outstanding importance, all of them penetrating further deep into the wilds of Inner Mongolia. They are:—

(1) The Kwaiyuan—Solun section of the Taonan-Solun Railway, left unbuilt by the former Chinese authorities.
(2) The Linguan—Chaoyang section of a railway connecting Peipiao with Chengteh, the capital of Jehol.
(3) The Chaoyang—Chifeng section of a railway leading right up to the frontiers of Silingol League, which—as I have said—has become a hot-bed of Russian and Japanese intrigues.

In line with the railway building fever comes the reported advancement of a $5,200,000 loan by the Japanese interests to the Chinese owned Peiping-Suiyuan Railway, which places the railroad practically under Japanese financial control. In time of emergency, they even may assert military control, in which case they will be able to move troops freely from the seacoast to Kalgan and Suiyuan, thus menacing, in case of war with the Soviets, the flank and the rear of the Red Army. That the Japanese General Staff had long ago worked out such a plan, which would involve the Peiping-Suiyuan Railway and Inner Mongolia, may be judged from the reported secret treaty, which they forced upon China as far back as in 1918, whereby China undertook the obligation to permit the free movement of Japanese troops, supplies, and so on, along all her railways; even more, it is alleged that China had consented to cooperate with Japan in all matters of finance, exchange of military maps and information, and even in sending her armed forces against Russia. In a word, China was forced to become an ally of Japan in her contemplated war against Russia.

That this plan has not been discarded by the Japanese military leaders and may be brought to the fore at any moment seems to be evident from the pressure they are at present exerting on Chinese leaders with a view to creating a special regime in North China, a regime not entirely dissimilar to that which existed in Manchuria prior to September 18, 1931. The establishment of such regime in North China should, therefore, be regarded as a first step towards the forcing of China, in case of emergency with the Soviets, to fulfil all the obligations of the treaty of 1918, no matter would she like it or not. An army of occupation, made up of 50,000 reservists would, in this respect, do wonders. In that case, the position of North China will somewhat resemble that of Belgium in 1914, when the German armies broke through that country, and came out to outflank the French Army, ready to deal it a crushing blow, from which it was saved only by the thrust of the Russian Army into Eastern Prussia.

A terrible future seems to await the Mongolians. Their position resembles that of Poles during the Great War, when, being under the rule of the three belligerent nations, —Russia, Germany, and Austria-Hungary,—and being mobilized by their respective armies, they had literally to fight each other. In the present case, the Mongolians are put just in the same position, because, in case of war, the Outer Mongolians, as allies of the Soviets, will have to help the Red Army, whereas the Inner Mongolians, comprising those inhabiting Barga, Jehol and the Solun region, will have to help the Japanese Army.

The Japanese seem to be a little late in the creation of "independent" Mongol troops (I do not say "army," because the term would be a gross misnomer), whereas the Soviets according to information from all sides, have done wonders. In the course of years of strenuous work, they have created a little Outer Mongolian army, several thousands strong (some say that it has 7,000 fighters), well trained, equipped, and officered. According to all reports to hand, this army consists of the regular troops, going through the two years of compulsory training, and of territorial

troops, made up of the entire male population from 16 to 40 years of age. If we are to believe in statements of refugees, constantly pouring in from that direction, the spirit of these Outer Mongolian troopers is quite up to the mark of that of the Red soldiers. Having imbibed communistic propaganda thoroughly, they seem to know exactly what they will be fighting for. However, there seems to be a strong undercurrent of dissatisfaction among the populace, caused by recent attempts to collectivize Mongolian farms, as it is being done in Russia and Siberia. It is said that the resentment of the populace has also been exasperated by forced purchase of live-stock to meet the needs of the Far Eastern Army, all of which is being undoubtedly taken advantage of by pro-Japanese agents, now working in the frontier region.

Little is known of the progress the Japanese have made in creating "independent" Mongolian troops. They have a few hundred enlisted horsemen in Hailar and Solun, whose fighting mettle remains to be seen. It is planned, however, to introduce, in the course of time, the conscription system for all Inner Mongolians, in which case the present horsemen will serve as non-commissioned officers.

It seems to me that the time of trial for Mongolians has come; being placed in the centre of a three-sided expansion—that of Russia, Japan, and China—they face almost wholesale extension, unless and until their leaders exibit unusual foresight and lead the tribe to a safe haven, through the storms of the coming struggle. No such leadership should be awaited from the men now associating themselves with the Manchukuo regime; they are too commonplace people for such great a task; in the time of trial, such leadership is expected only from the direction of Chinese Inner Mongolia or Soviet Outer Mongolia.

Harbin, June 30, 1934.

New Chinese Customs Tariff Greatly Favors Japanese

A new Customs Tariff was put into force by the Nanking government July 3. Although the tariff was put into force promptly on the morning of that day, the public had no access to the new rates except by going to the Customs House, where several copies of the new tariff were available. Generally speaking, just as the tariff last year was detrimental to Japanese interests this present tariff favors them very much. Most of the cotton goods which Japanese supply are considerably reduced. Grey goods (cheapest quality) remain practically unchanged, but dyed and printed muslins have been reduced by 15 percent. Generally speaking if a rate has been reduced from the previous tariff it concerns articles which are mostly imported from Japan. As against this, if a rate has been increased it concerns articles mostly imported from the Western world and particularly the United States. Rates on provisions used by foreigners, most of which are imported from America, are generally increased. The duty on butter works out at about 40 cents per pound. Machinery, reduced several years ago from 10 to 7½ per cent, has again been raised to ten percent. A comparison with the old rates has been made doubly difficult as not only was no adequate provison made to supply the newpapers with copies of the new tariff promptly, but also, as the new specific rates are all on a metric basis as against the old Chinese picul basis, comparisons are difficult. However, certain items stand out prominently.

The tax on gasoline has been increased from C.G.U. (Customs gold units) 1.63 per case of two five gallon tins to C.G.U. 2.10 with a corresponding rise in the tariff on bulk imports. Kerosene in case went from C.G.U. 1.43 to C.GU. 1.80 with an equivalent increase in the case of bulk imports. (However, these increases were already in force by reason of an interim regulation.) There is no increase in motorcars. Radios are subject to a higher rate, the ad valorem duty being increased from 12 1/2 per cent to 15 per cent. Electric fans, cookers, etc., are increased from 20 to 25 per cent advalorem and toys and games are increased from 30 to 35 per cent.

Duties on metals have been boosted by about 25 or 30 per cent; electrical machinery by about 50 per cent. Fishery products coming from Japan have generally been reduced. But fishery products, salmon for example, which comes from the United States and Canada (also Russia) have been increased.

Jewelry and ornaments have been increased from an advalorem duty of 25 per cent to 30 per cent, this category including pearls, both real and artificial. The duty on perfumery and cosmetics, which was formerly 30 pent has been increased to 35 per cent.

Despite all the talk that there had been about reducing the very heavy duty on sugar so as to lessen the incentive to smuggling, the only change has been in the basis of calculating. The amount of duty remains practically the same. There has been a very slight reduction in the duty on artificial silk, of which Japan is a considerable supplier; but both Germany and Italy supply more than Japan does.

Chinese Cotton Merchants Protest

As mentioned above, one of the principal features of the revised rates is the reduction in levies for nearly all classes of cotton goods. This has aroused considerable concern in Chinese cotton industrial circles, since most of the imported cotton goods come from Japan.

The decrease provided in the revised tariff rates for cotton goods, one of the principal Japanese exports into China, has aroused much concern in Chinese industrial and commercial circles in Shanghai. A delegation petitioned the Ministry of Finance and the Executive Yuan for measutes of protecting the Chinese cotton industry, which they contend will suffer a great deal following the enforcement of the more favorable rates on imported cotton goods.

Declaring that the revised import tariff released for enforcement as from July 1 is almost entirely contrary to the announced policy of protecting domestic industries, the *Sin Wen Pao*, Chinese daily newspaper in Shanghai, in an editorial July 3, demanded a satisfactory explanation from the National Government. The article alleges that the only argument claiming that a lower tariff schedule would benefit the Chinese consumer was advanced by Koki Hirota, Japanese Foreign Minister, who, it is alleged, had set the trap in which China has now fallen. The editorial sees no ground, at least in connection with cotton, cotton yarn and cotton goods, for the Government to reduce the import tariff inasmuch as many of Chinese cotton mills have been forced to stop or curtail operations. The *Sin Wen Pao* says: "Only a few days ago the Ministry of Industries sent representatives to discuss with Chinese cotton mills measures to relieve their plight and agreed: (1) that the custom duties on imported cotton goods be increased and (2) that transportation charges for Chinese cotton yarns be reduced. While the measures were being studied comes the report of reduction of import duties. We consider this action as the most contradictory of government policies. Any policies of the government should be made open to the public and we demand, this time, a satisfactory explanation to such contradictory policies taken by the Government."

The tariff rates on Chinese paper have been reduced considerably. The Chinese merchants in the paper trade point out that already they have a difficult time in competing with Japanese paper, and if the tariff rates on imported paper are again reduced Japanese paper can be sold on the Chinese market at a much lower rate. At present Chinese paper is being sold on the market at its cost price in order to keep it level with the price of the Japanese product, according to the *China Times*.

Japanese Also to Protest!

But, despite the fact that the new tariff greatly favors the Japanese, it is reported from Nanking that Japan is expected to protest on the ground that the new Chinese tariff has not abolished or decreased in a substantial degree rates which are allegedly discriminatory against Japanese products, such as coal, sugar and sea products.

Japanese Consul General Reprimands Rowdy Nationals

Japanese Consul-General Itaro Ishii July 3 issued a strong statement reprimanding Japanese residents for threatening to precipitate a serious situation in the June 27 and July 1 incidents and admonishing them to think how their actions may reflect adversely upon their own nation's interest and honor. It is stated that a considerable number of Japanese have been called in to the Consulate and questioned and that some may be returned to Japan.

Japanese officials denied any knowledge or cognizance of a move reported to be contemplated by the Japanese Residents' Association for the replacement of Captain E. Kennedy by a Japanese as head of the "C" (Hongkew) police division of the International Settlement.

The First District Chinese Citizers Association in a letter to the Municipal Council stated that the Chinese woman Yang Mo-sz, was beaten June 27 by the Japanese landing force members, without the slightest provocation. She had only told the riesha coolie, whom the Japanese were threatening to attack, to escape when the landing force members set upon her and caused bodily injuries, the letter said. "The council has a duty to protect its ratepayers and we demand an assurance to this effect," the letter concluded.

British Minsiter to Have Residence in Nanking

The British Government has decided to provide a residence for the British Minister at Nanking. Although *Reuter* says this will not mean the transfer of the British Legation from Peiping to Nanking, as has been frequently suggested in some quarters, nevertheless the Minister is expected to spend much more time there than he does at present. In some circles in London it is believed that the provision of a residence at Nanking for the Minister may lead to the ultimate transfer of the Legation from Peiping, but when this will occur no one in an authoritative position has predicted.

NATIONAL STATE LOTTERY ADMINISTRATION

LOTTERY NO. 6

DRAWN AT THE CANIDROME, SHANGHAI, 29th JUNE 1934

1st PRIZE: 1 of $500,000 025251

2nd PRIZE: 2 of $100,000 each 171551 487407

3rd PRIZE: 4 of $ 50,000 each 062115 073916 293986 317755

4th PRIZE: 10 of $ 10,000 each 023532 063044 123657 208371 222905 255415 257193 439900 461320 481275

5th PRIZE: 50 of $2,000 each

000242	023426	029079	031189	032956	040903	045020	046076	054736	060718
064802	097608	112553	115544	136619	139933	143518	149043	160138	172686
177849	205494	224577	239880	241302	245165	249027	263766	265782	270358
285830	288822	302986	313401	319651	325786	346108	349188	354813	355452
361815	371013	372405	374907	398755	419273	465844	466713	484066	490688

6th PRIZE: 100 of $500 each

017855	019316	026309	032642	043599	054964	060255	065192	069289	069934
071628	083921	087649	088625	100368	101776	106230	109096	109884	110794
111207	114002	119619	120966	122844	142080	153961	159150	164238	165364
186583	188976	190178	194388	194576	206565	214373	219994	228279	239334
243700	244091	256223	257620	278741	280016	281097	285224	294629	296509
308355	310636	318441	319943	323640	326652	330443	331539	333282	337116
343031	354866	361324	361707	365553	368267	369723	373775	374435	375336
379624	380983	383305	391703	394961	395393	397414	398605	400618	402217
405039	409954	413526	414397	414709	423450	432466	440605	450008	456355
459382	464757	465533	468703	468848	471279	480155	485690	485872	498200

7th PRIZE: 500 of $200 each All numbers ending with 504

(Tickets whose last three figures correspond to a specially drawn number)

8th PRIZE: 4,999 of $70 each All numbers ending with 51

(Tickets whose last two figures correspond to the last two figures of the First Prize ticket number)

9th PRIZE: 44,999 of $20 each All numbers ending with 1

(Tickets whose last figure corresponds to the last figure of the First Prize ticket number)

SPECIAL PRIZE: 278487

(Donated by the Ministry of Finance)

Holders of prize winning tickets may receive payment on and after Saturday, 7th July, 1934, at the Central Bank of China, Bank of China and Bank of Communications or at any of their branches.

Prizes unclaimed after 31st December, 1934 will be forfeited.

The National State Lottery Administration accepts responsibility for the correctness of the Official Prize Lists only. These Lists are obtainable at Head Office and agencies.

LOY CHANG,
Director-General.

Shanghai, 30th June, 1934.

NEXT DRAWING 31st AUGUST 1934

$10. per number **Tickets** $1. per share

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NATIONAL STATE LOTTERY ADMINISTRATION

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Nanking Orders All Students to Undergo Rigid Military Training

BY C. Y. W. MENG (孟長泳)

THE Chinese used to say that "a good piece of iron would not be made into needles and a good son would not be a soldier." Such is the traditional Chinese conception of soldiery. For centuries, the Chinese had paid high respect to scholars but looked down upon soldiers. But since the end of the 19th century, when China came into armed contact with the foreign powers and was ignominiously defeated, as a consequence of which its weaknesses were glaringly revealed to the whole world, and the western powers commenced the ruthless scramble for concessions and leases, and when China was at last somewhat awakened to her military weakness, there has been some change in the century old conception, and since then we have heard very much about "the military education of the citizens 國民軍軍事教育."

First Definite Step—Law Promulgated

Under the nationalist regime, in the 17th Year of the Republic (1928-29) a resolution calling for the enforcement of the military training in the schools, as introduced by the Military Affairs Committee, to the First National Educational Conference, was adopted by the Conference sometime in May, 1929, and was later approved and promulgated by the National Government. In the next year, the same regulation was amended and promulgated on January 15, 1930. The regulation may be called an "Act for Enforcement of Military Education for the Students of, and above, the Senior Middle Schools." 高中以上學校軍事教育方案, which provides that with the exception of girl students, the military training should be one of the "required courses" in the school curriculum and that such training shall be for a period of two years. (See Article 1 of the Act). Article 2 of the Act stating the "purpose of the Act" says "the purpose of the military education is to give physical and mental training to the students; to give the students ideas of obedience to laws, willingness to assume responsibility, patience; to increase the spirit of sacrifice for the nation of the citizens and to improve the ability of the citizens in the national defence." Article 5 further provides for study of military subjects three hours per week, and that "during every summer there shall be 3-week rigid military training for the students." Article 8 provides for annual inspection of military education in the schools by the high officials of the Ministry of Education and the Military Training and Inspectorate, etc.

This is the first definite move towards the military training of students in modern China. Though it is only at its very beginning stage, and due to the internal political unrest and other reasons, the Act can only be partially enforced; nevertheless, the movement has since taken its definite shape and considerable progress has been made, particularly after the "Mukden Incident."

Number of Students Undergoing Military Training 1929-1930

The following table will show the uumber of students in different provinces undergoing military training in 1929-1930. (Information for later years is not available.)

Names of Provinces	Number of Students Undergoing Military Training
Kiangsu	6,385
Chekiang	1,587
Kiangsi	1,760
Anhwei	808
Hopei	530
Honan	1,050
Shantung	1,480
Hupeh	980
Hunan	1,461
Fukien	3,010
Total	18,943

School Military Training Ordered to Be "Hastened"—"Student Corps" Organized

Since the outbreak of the Sino-Japanese crisis, in order to prepare ourselves for "prolonged resistance" against the invasion, the National Government has promulgated an outline of General Principles for training of Students Corps, ordering that students in schools throughout the country shall undergo rigid military training. At the same time, General Chiang Kai-shek, Chairman of the Military Affairs Committee, also gave gave orders to the Military Training Inspectorate to "hasten" the work and "double" their efforts to enforce military training in the schools.

In order to carry out this order, the whole country is being divided into numbers of districts, and the enforcement of military training is divided into periods, largely in accordance with the "importance" of the locality in which the schools are situated. Accordingly, schools in Nanking, Shanghai, Hangchow (Chekiang), Hankow and places along the "Nanking-Shanghai Railway" are considered as the first districts in which military training should be enforced. There are about 28,477 students in the district, and they will require at least about 200 military officials to train them.

An Act for "Hastening the Enforcement of the Military Training in Senior Middle Schools and Above" 高中以上學校加緊軍事訓練方案 was promulgated. Accordingly to the Act, the military training in schools is to be enforced in four periods, and they are as follows:—

First Period: The military training in schools in Nanking, Shanghai, Hangkow (Chekiang), Hankow, and in places along the Nanking and Shanghai Railway should be hastened.

Second Period: The military training in schools which are situated in "important" places, which had already had some form of training should be hastened.

Third Period: The military training in schools which are not situated in places mentioned above and which have already had some form of military training, should be hastened.

Fourth Period: The military training in schools not mentioned above should be hastened.

The above periods would be enforced in order. That is. when the military training in the first period is completed, that of the second period would begin, and so on. Each period would last for six months. That is, the military training for students thoroughout the whole nation would be enforced in two years.

In addition, the Military Training and Inspectorate and the Ministry of Education had promulgated a set of "Rules Governing the Training of Student Corps" 學生義勇軍訓練辦法 on December 30, 1932. Article 2 provides that the Student Corps would be of two kinds, and they are: (1) Young Volunteer Corps 青年義勇軍, to be organized by the students of and above the senior middle schools and Boy Volunteer Corps 童子義勇軍 to be organized by the students of senior middle schools. The formation of the Student Corps is also divided into two periods: First: In the schools located in Nanking, Shanghai, Hangchow, Hankow, Peiping, Tientsin and places along Nanking and Shanghai Railway, the Student Corps should be first formed. When the first period is completed, the second period would begin. (See Article 8.)

"3-Week" Rigid Military Training

Only a couple of weeks ago, the Ministry of Education and Military Training Inspectorate had jointly promulgated a set of "Rules for the Enforcement of the 3-Week Rigid Military Training During the Summer." Briefly, these rules are as follows:—

1. In accordance with the Article 5 of the "Act for the Enforcement of the Military Education in Schools," schools should continue to give the 3-week rigid military training to the students, and the students could not evade the training without reason.

2. The schools campus would be the military camps. All regulations and organizations for the training should be entirely in accordance with the present regulations and organizations governing the army.

3. The chief-in-charge of the Committee of the Military Training of the Citizens, or the commander of the local forces, or the commanders of the local Pao-An Forces (Peace Perservation Corps) of that locality where the schools are situated would be the commander-in-chief of the student military training.

4. Students would be taught the general principles of fighting for two hours per day, and would have to practice tactics of actual fights and drill for four hours per day in the morning. In the night, students have to practice the night maneuver. Three-tenths of the time would be devoted to the teaching of the tactics of fighting; one-tenth to th general principales of lining up of troops on the battlefieled; three-tenths on digging

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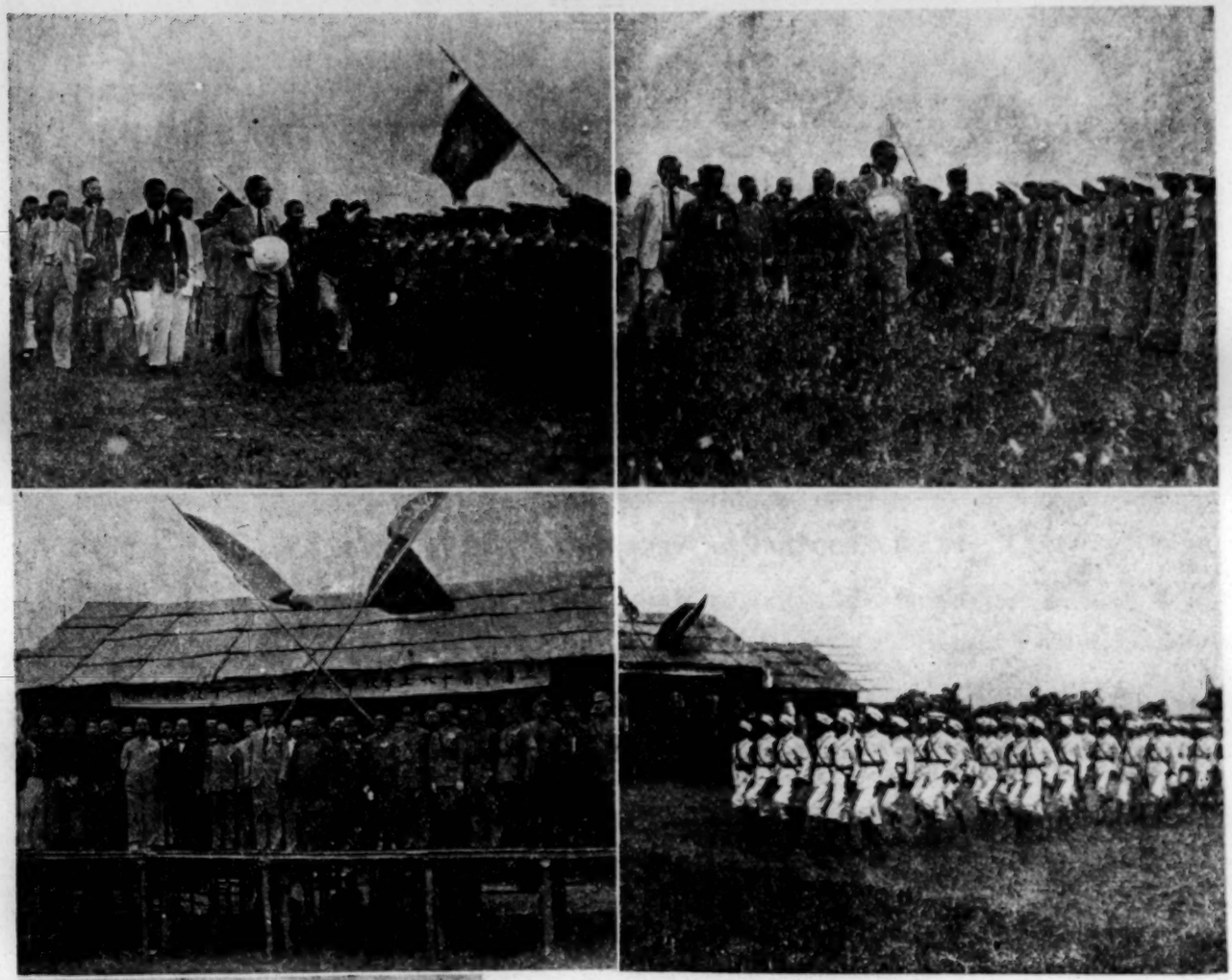
The Shanghai-Hangchow-Ningpo Line runs southwestward from Shanghai through a tract of beautiful places. At Lunghwa one will see the famous Pagoda with a long history attached to it; at Sungkiang, the observatory of the French Fathers at the summit of Sha Shan and the grave of General Frederick Ward; at Kashing, the South Lake and the Three Pagodas situated about two miles from the station; and at Hangchow, the present terminus of the Line from Shanghai, the renowned West Lake which called forth highest praise from Marco Polo, with such picturesque surroundings that it has been well called the "Switzerland of China." Tourists! A visit to Hangchow by the comfortable trains of this Line will give you the utmost satisfaction of travel and untold pleasure of sight-seeing.

For further information apply to the Traffic Manager of the two Lines at Shanghai North Station.

ALL STUDENTS NOW RECEIVE MILITARY TRAINING



A few of the 7,000 Chinese high-school and college students in the Shanghai district who are now receiving military training. The pictures on this page were taken at the recent review and inspection which was held by Mayor Wu Teh-chen of the Municipality of Greater Shanghai. In addition to the regular training, which extends throughout the year, described in the accompanying article, some 4,000 students in the Shanghai district are also receiving a 3-week special course intensive training, including both drilling under regular army officers and classroom studies. In Kwangtung and Kwangsi provinces, military training has not only been introduced in the schools, but plans have been made for introducing conscription. Also it is reported that conscription is to be introduced into Chekiang province by the National Government.

The picture in the upper-right corner shows Chinese girl students, who also are participating in the military exercises—as future nurses and clerical assistants. The other pictures were taken at the recent review by General Wu Teh-chen.

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of trenches, etc.; and one-tenth to target practice. If the time is not sufficient, the practice would be carried on as usual on Sunday. Students should carry out camping in wild places for three days. In case there are more than one brigade in one place, there should be one joint drill and practice every three days.

5. Students who do not undergo the 5-week military training would not be exempted from the 3-month military training after graduation.

According to the decision of a meeting of university presidents in Shanghai under the auspices of the Ministry of Education, it was decided that all freshmen and sophomore students must undergo the 3-week special military training during the summer, and those who evade the requirement "would not be allowed to graduate." The students in Shanghai schools having to undergo the summer training are estimated to be 7,000, and that of Shantung is approximately 2400. The Ministry of Education has also promulgated a set of "Rules for the Enforcement of Boy Scout Training in Junior Middle Schools."

School Military Training Reviewed

General Chiang Kai-shek is said to have paid great attention to the summer military training of the students, and to have order-

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ed the Ministry of Education and the Military Training Inspectorate to work out detailed regulations governing the giving of Encouragement and offering of Prizes to the students who do good work in the summer training. General Han Fu-chu, chairman of the Shantung Provincial Government, is quoted to have said that he would "personally direct" the 3-week military training of the students.

Before closing for the summer vacation, the military training in schools was reviewed by the officials of the Ministry of Education and Military Training Inspectorate and high officials. In Nanking, schools are being divided into four districts, and the military training of schools is being reviewed by officials separately. In Shanghai, the Students Corps, about 5,000 strong, were reviewed by General Wu Teh-chen, the Mayor, on June 8. In Canton, the student corps, no less than 3,000, were reviewed by General Chen Chi-tang, the socalled "strong man" in the South.

"Citizen Corps" Organized

Reports from Canton tell that the military training for students and civilians is being actively carried out in both Kwangtung and Kwangsi. In Kwangsi, under the direction of General Pei Chung-hsi, famous for his army organization, the authority intends to make every male citizen (except the aged and invalid) a soldier. "Min Tuan" (citizen corps) organizations have been formed in the various districts and in the event of emergency, Kwangsi would be able to mobilize a "Citizen Corps" of 500,000. Every man in Kwangsi is required to undergo at least 180 hours of severe military training. With permission from military headquarters, the students cadets of the various government middle schools and colleges are drilling with real rifles and they have been given the opportunity of using real cartridges in target practice. Students are given encouragement to enroll in the military academy as well as the aviation school.

China—World's Next Greatest Military Power

From the above, it is clear that the centuries-old theory that "a good son would never be a soldier" is now being reversed. The younger generation of China today is very proud of themselves if they can put down the yellow military uniform and take up rifles for drills as real soldiers. When they go back to ask for permission to stay away from home for the period of Summer rigid mititary training, their aged grandparents or parents might frown at them and might express their objection but we believe such opposition is of no effect nowadays. Secondly, it is equally clear that China has awakened to her military weakness, and that China has now paid great attention to the military training of her citizens. Though we do not have any reliable and official statistics at hand showing the number of Chinese students going to foreign countries to pursue the study of military science, we believe that the number must be increasing greatly. The centuries-old conscription system which is distinctly something Chinese and which was in force for centuries, but was relaxed later on, is now being re-enforced. The National Government had promulgated the Conscription Law a short while ago—which would make every male citizen a soldier. It is reported that it is the intention of General Chiang Kai-shek to enforce the conscription system first in the Province of Chekiang, making the latter an "experimental" province. If more definite and vigorous steps are taken towards this direction, and to enforce the military training in the school, we believe, the old Chinese saying that "after 10 years of production and gathering, and 10 years of training, we can have our revenge" will be realized, and China will be the world's greatest military power,—in the next few decades, taking in consideration the size of her territory and population. As to the military training for students, we believe, more definite and vigorous steps have to be taken and the training has to be more rigidly enforced. In many schools, such training is either totally neglected or exists only in name. Secondly, the "3-Week" military training, in our opinion is too short to accomplish anything, so we suggest the period might well be extended thoroughout the whole summer.

Nanking, June 28, 1934.

New Political Developments in South China

BY PAUL K. WHANG (汪仲芳)

WHILE the Kuramoto episode, the Shuntien Piracy and the problem relating to the resumption of the Peiping-Mukden through traffic have continuously engrossed our attention, we have not yet had time to turn our thoughts to the new order of things which is now being developed in South China. It is somewhat curious that after more than two and a-half-years since the last attempt to bring China into a unified country, this talk of unification has once again come to the fore. For the past few weeks the representatives of Nanking have been busily engaged in conferring with the leaders of the Southwest in an attempt to find a formula whereby the chasm between Nanking and the Southwest can be bridged and the unification of the country which has been long hoped for by the people throughout the country may become a reality.

The motive leading to this new development is worthy to be noticed. According to one report, Gen. Chiang Kai-shek, chairman of the Military Affairs Commission, is said to have telegraphed a strongly worded "ultimatum" to Canton leaders two weeks ago, demanding that Generals Chen Chi-tang and Li Tsung-jen, "strong men" of Kwangtung and Kwangsi respectively, immediately stop the building of strong fortifications along the Kiangsi border. As a result of this "ultimatum," continues the report, the South-western authorities have no alternative but to yield themselves to the wish of Gen. Chiang, hence their present conciliatory attitude towards the Central Government.

The authenticity of this report, however, is open to question, for we doubt that Gen. Chiang, who has now devoted all his time and energy to the anti-communist campaign, would care to draw fire from the military leaders of Kwangtung and Kwangsi by addressing them a strongly worded "ultimatum." It is equally inconceivable that the Southwestern authorities, who have shown much defiance in the past, would readily surrender themselves simply because of this "ultimatum."

Changed Attitude of South-West

As a matter of fact, this unification movement, if it may be thus called, dates back two months ago when the Japanese were directing their steps towards a secret invasion of South China. Prompted by the fear that the fate of South China may follow that of Manchuria, the Southwestern authorities, who hitherto had maintained their independence of the Central Government, changed their attitude of defiance to that of conciliation. Instead of drifting farther away from Nanking, they shifted their course and professed their willingness to co-operate with the Central Government in the present tempestuous season. Thus on May 2, they caused the issuance of a circular telegram under their joint signature, reaffirming their allegiance and wholehearted support to the National Government at Nanking.

This friendly gesture on the part of the Southwestern authorities is quite understandable. Since the fiasco of the Fukien Rebellion last year, the influence of the Central Government has been brought into direct contact with that of the Southwest. In face of this situation, the leaders of Kwangtung and Kwangsi can no longer maintain their semi-independence or independence, and they must either take up arms to defy openly the Nanking authorities or become more conciliatory towards the Central government. For the sake of expediency as well as assuring themselves of the assistance from Nanking in the event of Japanese invasion, they are now resorting to the second alternative.

The overture made by the Southwestern leaders was immediately responded to by the Central Government in despatching Gen. Huang Shao-hsiung, Minister of Interior, to Canton to exchange views with the leaders there. Gen. Huang himself was formerly a military leader of the Kwangsi faction, and served for one time as the military governor of Kwangtung province when South China was dominated by the Kwangsi influence. He is said to be on good terms with Generals Li Tsung-jen and Pai Chung-hsi, two outstanding military leaders of Kwangsi. Besides, he is well conversant with the complicated political situation in South China.

Closely upon the heels of Gen. Huang, Gen. Chiang Po-cheng was also sent to Canton as the second envoy of the Central Government. Gen. Chiang, although he is not related to his illustrious namesake, Gen. Chiang Kai-shek, is, however, a trusted lieutenant of the latter. On numerous occasions, he has represented the chairman of the Military Affairs Commission as a peace-maker in settling up the differences between various military leaders, and has played that role very successfully. Therefore in his trip to the South he should be looked upon more as a representative of Gen. Chiang Kai-shek than as one of the Central Government.

To supplement the efforts of these two representatives, a third one was sent in the person of no less than Gen. Ho Chien, chairman of the Hunan provincial government. Gen. Ho is known as a staunch supporter of the Central Government and a close follower of Gen. Chiang Kai-shek. According to his own words, Gen. Ho declared that his trip to Canton was made partially on orders from Gen. Chiang Kai-shek. The fact that he acknowledged that he was sent by Gen. Chiang lends color to his present activities in Canton.

Canton is now a rendezvous of military leaders from Kwangsi, Hunan, Fukien and Kiangsi. Important conferences have been held with the participation of Gen. Ho Chien as representative of Gen. Chiang Kai-shek, Generals Li Tsung-jen, Pai Chung-hsi, Kwangsi military leaders and Gen. Chen Chen Chi-tang, military leader of Kwangtung. Although these meetings have been held ostensibly for the purpose of formulating plans to hasten the communist-suppression campaign, it is within the general knowledge of the people that some important political move is behind the activities of these military leaders,

What is the most significant of all is the fact that Gen. Ho should proceed to Hongkong and have a conference with Hu Han-min, former President of the Legislative Yuan. Mr. Hu, although now living in retirement in Hongkong, still wields a great influence over the politial situation in South China. Therefore no program of co-operation between the Central Government and the Southwest can be complete without the active participation of Mr. Hu. It is, however, doubtful if a man of such a strong will as Mr. Hu, who has continued to assume an attitude of defiance since his release from custody two and a-half-years ago and has turned deaf ears to all appeals of co-operation, will lend his weight to the consummation of the present unification movement.

However, a report has already been current that as a result of these conferences, the Southwestern leaders have agreed on the abolition of the Southwest Executive Committee of the Kuomintang and the Southwest Political Council in Canton and the creation in their place of a political affairs committee as a Southwest Branch Military Affairs Commission similar to the two branch organizations in Peiping. It is further reported that Mr. Hu may become the possible chairman of the projected political organ of the Southwest with Hsiao Fo-cheng, Southwest Kuomintang statesman, as vice-chairman; and that General Chen Chi-tang and Li Tsung-jen are mentioned as chairman and vice-chairman respectively of the proposed Soutwest Branch Military Affairs Commission.

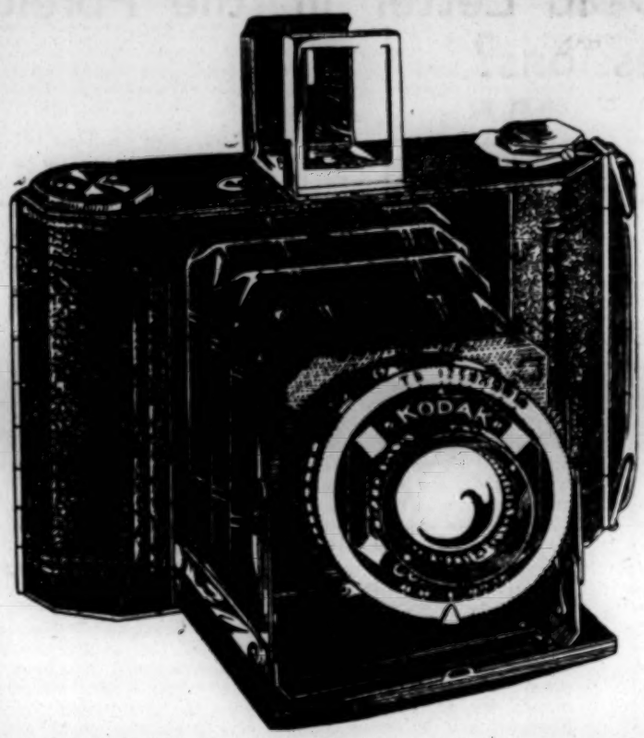
Hu Han-min's Future

So far, the question of Mr. Hu's future government position seems to be still a hard problem to be solved. Wang Ching-wei, President of the Executive Yuan, in his recent message to Canton on this question, expressed the desire that Mr. Hu both as a member of the Standing Committee of the Central Executive Committee of the Kuomintang and a member of the Standing Committee of the Central Political Council should return to Nanking to partake of the government responsibilities. Unless Mr. Hu is a different man now, we can hardly entertain any hope that he will return to Nanking and become reconciled to his political enemies.

We hope that Gen. Ho's mission will bear successful results, but meantime we must guard ourselves not to be too optimistic over the results of this new political development. It must be noted that the mere change of the names of political and military organizations will not make China a unified country, if the office-holders maintain their independent attitude. It will be just the same as putting old wine into new bottles. Moreover, if the Southwestern authorities are sincere in their profession of allegiance and wholehearted support to the Central Government, they should of their own accord abolish all these unnecessary and independent political and military organs and take orders from the Central Government. Then why is it necessary that the Central Government should despatch representative after representative to talk terms of compromise with the Southwestern leaders.

It is because of the fear of the Japanese invasion that the leaders of Kwangtung and Kwangsi are now seeking co-operation with the Central Government. This kind of co-operation, it must be said, can only last as long as this fear is present. However, we hope that through this co-operation, a better understanding between Nanking and the Southwest may eventually result, that the ultimate goal—the unification of the country—may be reached in the end.

Shanghai, July 1, 1934.



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Nanking Mandate Forbids Levies by Local Authorities

Two mandates, one ordering the abolition of exorbitant levies and miscellaneous taxes from July 1, 1934, and the other strictly prohibiting the imposition of further levies by the various local authorities on articles on which the consolidated tax has already been collected, have been promulgated by the National Government. It is ordered that goods on which the consolidated taxes have been collected are free to circulate throughout the country without being subjected to further taxation. This having already been made explicit by the Ministry of Finance in a circular communication to the various provincial and Municipal Governments, it is incumbent upon the latter to enforce strict observance in accordance with the laws and ordinances of the Central authorities, it is pointed out. The mandate, among other things says :—"According to a report from the Executive Yuan, recently cases of multiple taxation have occurred in which the Provincial or Municipal authorities collect extra levies on commodities on the pretext of needing funds to defray local expenses. This practice is bound to bring confusion to the National taxation system and added burdens to the people. Hence, it neither benefits the State nor the people. The different Provincial and Municipal Governments are hereby ordered to prohibit the imposition of multiple taxation on commodities by their subordinate organs under the guise of needing more local funds, and to immediately abolish all such existing levies. Those found still pursuing the old way and resorting to multiple taxation in violation of the law, shall be severely dealt with, so that the laws and ordinances of the Government may be upheld and the interests of the merchants safeguarded."

Abolition from July 1 of the exorbitant levies and miscellaneous taxes collected in the three provinces of Hopei, Charhar and Suiyuan, was definitely decided upon at a joint conference of representatives of the three Provincial Governments, convened in Peiping, June 27, by Dr. H. H. Kung, Minister of Finance.

A meeting of ranking officials of the Provincial Department of Finance for Shantung was held in Tsinan, June 25, to devise measures for abolition of the exorbitant leyies and miscellaneous taxes in accordance with the orders of the Ministry of Finance.

Acting under orders of the Government the Tientsin Authorities have decided to work out effective measures for the abolition of irregular taxes in Tientsin and its surrounding districts. The authorities have decided to abolish these irregular taxes as from the beginning of July. It is ordered that and all such taxes shall be non-existent within six months.

Kiangsu, being the first province to announce abolition of 42 different kinds of miscellenous and exorbitant taxes, the Ministry of Finance has petitioned the National Government to issue a mandate of commendation to the Kiangsu Provincial Government.

The Hupeh Provincial Government has decided to aboiish 27 kinds of exorbritant levies and miscellaneous taxes immediately. With their abolition, the Provincial Government will suffer a loss in revenue of $280,000 annually.

In purrsuance of a resolution of the second National Financial Conference, the Ministry of Finance has established a Local Taxes Study Committee at Nanking to institute reforms in the local financial administration. A number of experts on local finances and a economists have been invited to serve on the Committee.

Foreign business firms in Canton are stated to be greatly concerned over the decision of the Kwangtung Provincial Government to enforce the Business Tax on all foreign firms operating in said city. The various foreign consuls have informed the Chinese authorities of their intention to submit the matter to their respective Ministers at Peking. The Chinese authorities will probably not declare the date for the enforcement of the tax until the Peiping Legations have had time to reply to their Consular representatives.

Kwangtung's Special Taxation Causes Losses All Round

The *North-China Daily News* of July 1 says that arbitary taxation designed to further the three-years plan of industrial expansion is being imposed by the Kwangtung Provincial Government. No attention is paid to National Tariff Schedules drawn up by the Ministry of Finance. The Maritime Customs is unable to collect revenue rightly accruing to the Central Government from imports. And foreign firms are in the majority of instances made the scapegoat for the inefficiency of local industries.

The losess under the Kwangtung measures are :

1.—The National Government which is being defrauded of its rightful revenue by means of organized evasion of the duties on materials for the industrial plants owned and projected by the provincial authorities.

2.—Foreign firms whose goods have been subjected to discriminatory taxation to make it possible for provincially owned factories to pay.

3.—Traders of the province who have to pay abnormally high prices, owing to additional tariffs, on goods they need and which the provincially-owned factories are not yet sufficiently developed to supply in the quantities demanded.

Is the Factory Law a Dead Letter in the Foreign Concessions?

BY B. Y. LEE (李炳都)

THINGS move very slowly in China—particularly any important problem involving international complications, and necessitating co-operation with foreign residents. Jealousy and selfishness in the minds of both the Chinese and foreigners regarding outstanding problems in foreign concessions in China wreck a smooth and speedy attainment of some knotty problems. According to a report emanating from Geneva on June 16, where the International Labor Conference was in progress, a Chinese labor delegate, An Fu-ting, made a strong appeal before the international body requesting international aid in improving labor conditions in foreign concessions, particularly in Shanghai. In 1929 the National Government promulgated a Factory Law, which was orginally intended to be enforced throughout the whole of China as from February, 1930. It was thought that the Law would have become effective automatically, but since then four years have elapsed and nothing substantial has been accomplied. A question arises: Is the factory law a dead letter? As far as the foreign concessions are concerned, the answer is affirmative.

The Chinese people as a whole consider the existence of extra-territoriality as a stumbling block for preventing the application of the factory law in foreign settlements, at least temporarily. Whether or not the foreigner in Geveva takes a serious view of this matter, remains to be seen. The Chinese delegates at the International Labor Conference hope that their plea will be heard and that some steps, practical and effective, toward remedying the situation between employers and workers in foreign settlements may be smoothly worked out. To-day Shanghai is unique as a large industrial center in China devoid of factory regulations. Negotiations between the Chinese and foreign authorities have been carried on intermittently during the past four years for working out practical principles of factory inspections in the settlement limits; but a deadlock continues over the question of the sharing of control over the personnel and applications of a joint factory inspection service. Despite the fact that the Shanghai International Settlement Municipal Council has agreed to the principle of factory inspection in the International Settlement, any effort on the part of the Chinese Government to enforce the issue have repeatedly met with opposition and complications.

At a special meeting of the foreign ratepayers of the International Settlement held in April last year, the ratepayers approved an amendment to the by-laws empowering the Council to control industrial conditions by a system of licensing, thus avoiding extraterritorial complications, but the proposal has encountered strenuous opposition from the Chinese authorities. The final solution of the problem has been procrastinating in the matter of procedure, despite the fact that enormous valuable time has been devoted to the discussion of it by the both parties concerned. The Chinese authorities contend that the National Factory Law should be applied within the International Settlement by the agents of the Chinese Government, an interference with foreign jurisdiction within the Settlement which can not be admitted. It has been often reported that the Municipal Council is prepared to go some way towards meeting Chinese demands. But so far no concrete action has been taken. Without the approval of the International Settlement authorities, the factories located in the Settlement limits can not be inspected by government inspectors, and consequently the new law can not be enforced, at least for the time being.

Factory Workers Are All Chinese

In 1929, at the request of the Chinese Government the International Labor Office at Geneva sent to China Dame Anderson and Mr. Pone to assist the Government in the origanzation of a factory inspection service and it was then thought that factory inspection would be started shortly. Now more than four years have passed since the visit of these two labor experts from the International Labor Office, but still no definite accomplishment has been achieved, owing to the fact that the Shanghai Settlement authorities have not yet agreed to principles orginally planned for factory inspection in the foreign concessions. One may be sure that some foreign owners of factories may resent Chinese Government factory inspectors being admitted to their premises. At the same time we admit that no sensible foreigner who is a factory-owner would really oppose the Government's efforts to humanize industrial conditions in China. Since the greater part of the New Factory Law, promulgated by the Chinese Government in 1929, is based on similar legislation existing in most civilized countries, foreigners in China and at home, should gladly welcome such labor legislation, which is already enforced in their own countries. Whether a factory is located in a Chinese controlled area or in a foreign settlement is immaterial as far as the Factory Act is concerned, for the factory operatives are Chinese, and, as such, the Chinese Government is fully justified in exercising the right of control and protect its own nationals from being exploited.

The key to successful enforcement of the Factory law is to be found in the allowance of sufficient time for the factories to make the necessary adjustments. China, being in a period of industrial transition, it is only natural that many small-size industrial undertakings should grow up gradually by accumulation of large profits, and it is obvious that the strict application of very advanced factory legislation would probably make it impossible for these humble enterprisers to expand their undertakings. It should be admitted that while China has on paper the most advanced factory legislation of any country, a large percentage of industrial undertakings are still conducted in crude "factories," and under "sweat" systems. To burden the foreigner with upholding the new factory legislation in China may be asking to much. There must be a compromise, and the factory law must be enforced in the foreign concessions—the sooner the better. Either of the parties concerned must yield to some points in the matter of procedure and in application of the new legislation. In the eyes of the world the Settlement authorities should settle this long outstanding problem amicably at an early date in order to avoid being criticized abroad on account of their slowness toward making compromise with the Chinese Government. A period of four years' time for such an allowance is quite sufficient. It may be true that the Factory Law does not absolutely fit the existing conditions in the factories. Amendments and modifications will be necessary as conditions become changed. It would really be gratifying if with competent direction and supervision both employer and employee were really benefited to the extent that the New Law intended that they should.

In normal times, it is estimated that Shanghai's industries increase at the rate of about 20% per annum. Increased productivity and the sure path to national industrial prosperity rest upon co-operation between the capitalists and workers. Under normal conditions, the gross value of the various products turned out from Shanghai factories and workshops may be estimated at $15,000,000 a month. Due to the economic depression and Sino-Japanese wars in Shanghai and Manchuria in the past few years, the growth and expansion of Shanghai's industries have been somewhat retarded. During the past decade, particularly within the last few year, previous to 1931, there was a tremendous development of industrial activity in Shanghai. Whenever one thinks of labor and industrial conditions in China, one always takes Shanghai as an object of study and investigation, for Shanghai, more particularly the International Settlement limits, is a large industrial center of China. As soon as the labor problem is satisfactorily solved in this great industrial center, the problem concerning other industrial centers in China would be easily adjusted, in accordance with the example set up by the former for other centers to follow.

Shanghai Is Huge Industrial Center

Industrially speaking, Shanghai is a great center. Within Shanghai, there are six industrial sections; namely, Kiangwan and Woosung, Chapei, Lungwha, Pootung, the International Settlement and the French Concession. Among these six sections, the most important one is the International Settlement, where more than 250 industrial concerns, other than Japanese, are operating on a normal basis, employing nearly 190,0000 workers. There are more than 60 Japanese industrial concerns in the International Settlement, including 30 cotton mills, employing more than 70,000 workers. In normal times, there are about 230,000 industrial workers who depend for their livelihood on employment in manufacturing concerns in the International Settlement. In order to improve the working conditions in China's factories, the articles of the new Factory Law must be enforced first in the International Settlement's industrial concerns, otherwise the law remains a dead letter at least temporarily. According to the latest statistics available, the number of modern factories and mills in the whole of Shanghai is about 500 and the number of operatives around 300,000. A large number of smaller industries employing less than 30 operatives and a few machines can not be classified as "factories," according to the Factory Law.

Factory regulation and inspection in China, unfortunately, is a problem involving international complications by reason of the existence of foreign concessions and settlements. Many factories owned by Chinese are located in these areas. In the exercise of his duties, a factory inspector may be confronted with a peculiar situation hence he is not permitted to do anything. Both Chinese and foreign factory owners, having their industrial enterprises located in foreign settlements, are able to escape the limitations, such as the employment of children and women workers for night and extra work, etc. The advantages enjoyed by these extraterritorial factories over their competitors in regard to control of hours and conditions of labor are of very material importance. The cost of production can be kept down by the systematic exploitation of cheap labor. Practically all the large factories in China are located in foreign settlements, particularly in the International Settlement of Shanghai, where many advantages, such as nearness to capital, nearness to markets, good transportation, association of industries, etc. are available. For example, there are 65 cotton mills and 19 flour mills in Shanghai, and out of the total, only four cotton mills and two flour mills are located outside of the International Settement.

Disarmament Conference Committee Adjourns

The committee appointed by the Disarmament Conference at Geneva to decide measures for the execution of the proposed arms convention was adjourned June 29 after having determined that all was safe with the sole exception as to what action was to be taken by the pact signatories in case of actual infraction of essential parts of international peace.

The new men-of-war to be constructed in 1937 by Great Britain will in every way be equally as strong as those of the latest type of the strongest powers, the London *Daily Telegraph* announced June 30. They are to be armed with guns which will fire twice a rapidly as those which are now in use, while all the ships are to be protected from attack by air.

The French Chamber of Deputies June 30 approved, without alteration, the Government's 1934 naval building program, which calls for a total expenditure of Fr. 913,000,000, the first appropriation for starting the work to be Fr. 20,000,000. A new super-cruiser, similar to the *Dunquerque* and displacing about 26,000 tons, is the principal project contained in the new program. The entire program calls for a total of only 30,000 tons, the remainder being devoted to a destroyer of the *Mogador* type and two torpedo boats, one first-class and one second-class.

A proclamation prohibiting the shipment of arms and munitions to Cuba without approval of the Cuban Embassy in Washington was issued June 29.

British Labor Party May Fight If Called Upon

The attitude of uncompromising opposition to war in all circumstances was abandoned at a conference in London June 29, between leaders of the Trade Union Congress and the Labor Party, which reviewed the resolution passed by the Labor Party Conference last year calling for a general strike in the event of war. The conference drew up a statement declaring that it was necessary to distinguish between a war of aggression and one undertaken in defense of peace.

The only reasonable and practical solution of the war debt problem would be the acceptance, by the United States, of a final lump sum settlement in a single payment to be effected by all debtor nations, say of a sum of $1,000,0000,000, to be divided among them in proportion to their indebtedness. This is the decision arrived at by the committee for the study of political and economic problems created by the Rockefeller Foundation under the patronage of President Roosevelt.

Denial that high ranking officers of the Japanese Combined Fleet had signed a petition addressed to Prince Hiroyasu Fushimi, Naval of Staff, urging him to take a "vigorous" attitude regarding naval disarmament, was made by a Navy Ministry spokesman in Tokyo July 2.

Dutch Memorandum Cites Japanese Inroads Into Netherlands Indies Trade

Japanese inroads into commercial fields in the Netherlands East Indies, hitherto held by other nations, have caused them to retaliate against Holland's Far Eastern possessions by reducing their purchases of raw materials, Dr. J. W. Mejer Ranneft, head Netherlands delegate to the Japanese-Netherlands East Indian conference declared in a lengthy memorandum handed to the Japanese representatives in Batavia June 26. Moreover, Japanese purchases in the Netherlands East Indies are small, with the result that the islands suffer from a huge passive trade balance, the document declared.

British colonial quota restrictions against Japanese goods declared May 7 will not apply when imports from Japan do not exceed 2.5 percent of the total imports of that colony, the Tokyo Foreign Office was advised from London June 29. Moreover goods shipped before May 7 will not come under the restrictions, the report said.

Rayon Rapidly Replaces Silk in Germany

At the general meeting of Messrs. Bemberg, the big German artificial silk combine, the chairman said that among imports of raw materials pure silk occupied an unimportant place in the German market and could, if necessary, be dispensed with. It was possible, he said, to combine cotton with rayon yarns, and developments had been favorable for the adaptation of rayon for purposes for which cotton with rayon had formerly been used.

Shanghai Bankers' Association Holds Annual Meeting

The Shanghai Bankers' Association held its annual general meeting June 30. Chen Kwang-pu, general-manager of the Shanghai Commercial and Savings Bank, presiding, asked for co-operation among Chinese bankers, as the nation was suffering from abnormal financial conditions. He said that much idle money was continuing to pile up in Shanghai because of the unequal distribution of wealth and unsettled political conditions throughout the country. The rising price of silver, he affirmed, was a cause of much anxiety to Chinese banking circles.

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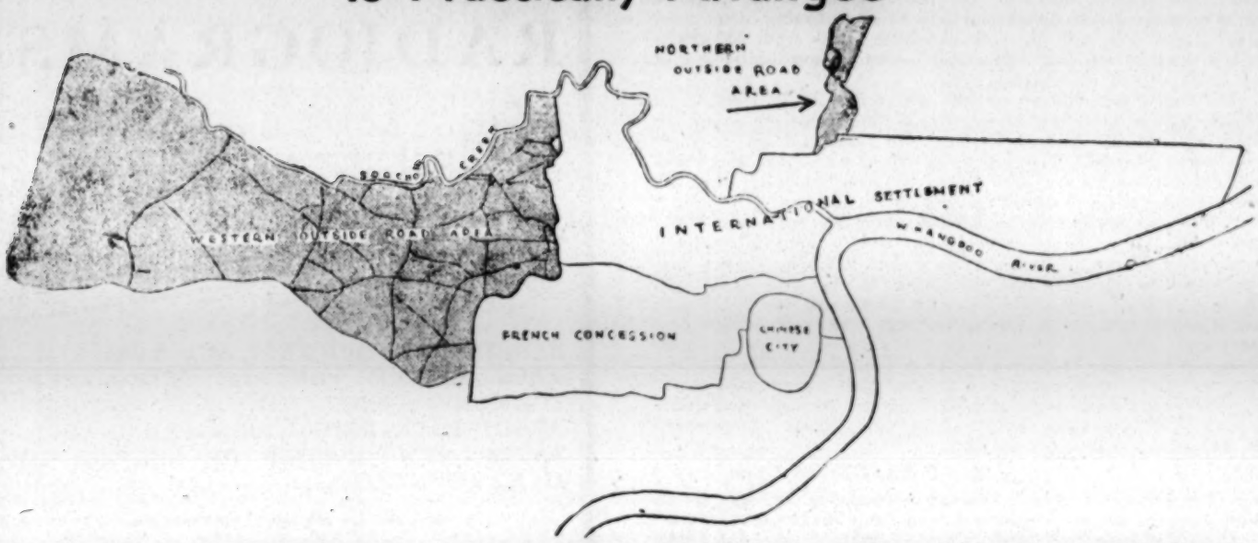

The above map, reproduced from the "China Press," shows the relative size of the areas bounded by "Outside Roads," constructed by the Shanghai Municipal Council, as compared with the International Settlement and the French Concession. Negotiations are stated to be proceeding between the Chinese authorities and the Foreign authorities for joint administration of the outlying areas—shown shaded in above plan. If the scheme is carried out, Shanghai would be practically doubled in size.

ALTHOUGH for the moment negotiations seem to be in abeyance, it is an open secret that the Foreign and Chinese authorities in the Shanghai area have in the past few months been in conference with a view to coming to some agreement regarding the administration of the area beyond Settlement limits, or at least of the roads in that area—which the Foreign Municipality has gained jurisdiction over by the simple process of buying the land and thus, by the principle of extraterritoriality, taking them out of the jurisdiction of the Chinese authorities. The negotiations have had in mind some sort of joint jurisdiction.

The plan for joint administration of outside areas was the one suggested by Justice Feetham in his report on Shanghai, after discussing four alternatives. The plan provides for the creation of a form of joint administration by the Shanghai Municipal Council and the City Government of Greater Shanghai. The Western section is by far the larger of the two and consists of 7,640 acres south of Soochow Creek. Its boundaries are: North: Soochow Creek and Pearce Road; West: Mounment Road; South: Hungjao: Road (almost to the Hungjao Airdrome); East: Aven ue Haig and present Western boundary of the Settlement. It includes such important roads as Rubicon Road, Macleod Road, Lincoln Road, Pearce and Brenan Roads, Great Western Road, Keswick Road, Tunsin Road, Yu Yuen Road, Jordan Road, Kinnear Road, Jessfield Road, Edinburgh Road, and many others. A few of the institutions in the area are Hungjao Golf Links, Nanyang, and Tung Wen Colleges, Country Hospital, German Country Club, Jessfield Park, St. John's University, Columbia Country Club, Kwang Hwa University, Shanghai Sanatorium, Fuh Tan University and many others. Along Soochow Creek are many cotton mills and other industrial concerns. In the area are about 50 small Chinese village centers.

In this district and on these roads were, in 1930, 9,506 foreign residents.

The northern section is a bit over 283 acres in area and lies to the east of the Shanghai-Woosung Railway line. It is a narrow, irregular oblong, 1 1/2 miles from north to south. It is bounded on the East by North Szechuen Road, and by the New Kiangwan Road, on the north by the Rifle Range and an adjoining road, on the east by the Rifle Range, Scott Road, and Dixwell Road, and on the south by the Settlement Boundary. The area is occupied in the main by Japanese residents and it contains the new Japanese Naval Landing Party building. Hongkew Park is in the northern section of the area.

The main point in question, in the pending discussions, is the jurisdiction of these areas and the many attendant problems. Its importance can be realized when the 5,583 acres comprising the present Settlement are compared with the total area of 7,923 acres in these two districts. Hence it can be seen that a "Fourth Municipality" is involved, a large area which vitally effects the future development of the other three municipalities.

At present, residents of these areas have faced definite restrictions and hindrances. There has been the matter of taxation, no small matter, and the matter of public utilities and their regulation. Light, telephone, water supply, transport facilities are involved and the question continues to be complicated. There is the question of the roads themselves, their upkeep, use, and of course, the policing. At present the police owe their allegiance to two separate authorities.

In 1931, Justice Feetham made five proposals as to dealing with the outside roads areas. They were in brief:

1. Extension of the boundaries of the Settlement so as to include the areas within the limits of the Settlement.
2. Abandonment by the S.M.C. of any claim on the areas and the withdrawal of Settlement Police from these areas.
3. Division of the areas, a portion to the S. M. C. and a portion to the Chinese Municipal Government.
4. A form of joint administration of these areas.
5. The creation of a new authority for the administration to the areas.

Joint Administration Is a Feetham Suggestion

Justice Feetham recommended proposal No. 4, the creation of a form of joint administration by the Shanghai Municipal Council and the City Government of Greater Shanghai, and it is on this proposal that negotiations are progressing. It is reported that only details are now being worked on at present to conclude the agreement, which provides for a Chinese police commissoiner and a foreign deputy commissioner. In addition, there will be two assistant commissioners, a Chinese and a Japanese. The announced details are vague and provisions for public utilities, taxation, financing and, the upkeep and extension and improvements of the roads within the areas have not been announced.

As to what the new agreement will actually produce is pure speculation, but the *China Press* says certain results can be forecast. "Without a doubt it will mean the extensive building up of these areas, particularly the large western area, with both residences and general improvements. It will probably mean the increasing extension and bettering of roads in the areas and no doubt the building of many new roads. It will mean the extension of all Settlement facilities into the areas, not excluding more adequate transportation facilities. It short, it will mean a "Fourth Municipality," mainly residential, which will vie with the popularity of the outlying districts of the French Concession as a residential district.

Such a municipality could have spacious parks, recreational centers, schools, theaters, hospitals, and many other projects which because of size, locality, and other requirements are impractical of realization in either the International Settlement or the French Concession.

The forthcoming agreement, embracing a large area as it does, will nevertheless restrict roads improvement to these areas. Highway facilities leading out of Shanghai are most restricted and limited; the existing highways, if they can be called highways, are in a questionable state of repair and maintenance. The *China Press* comments: "Would it be optimistic to envisage a plan whereby mutual cooperation of foreign and Chinese authorities would produce in the environs of Shanghai a network of modern highways which would afford both Chinese and foreign residents of Shanghai the opportunity of motoring to nearby villages and points of interest and at the same time provide modern, speedy, and much needed communications facilities to Shanghai?"

Mussolini Says Japanese Were Disappointed When Kuramoto Was Found

The Peiping *Chen Pao*, June 23, commented:—"Since the Mukden Incident of September 18, 1931, Signor Mussolini has published several remarkable articles on the Far Eastern situation—articles marked by deep insight and an unusual knowledge of affairs in this part of the world. In a recent article contributed to a Rome paper the Italian dictator said that the Japanese Govertment must experience keen disappointment at the discovery of Mr. Kuramoto alive, for it was thus deprived of an excellent opportunity for action in China. He went on to say that Japan had made preparations for action and had decided to undertake the policing of Nanking, when Mr. Kuramoto was found. Judging from the reports of Japanese news agencies and papers and statements of responsible Japanese officials both in China and Japan, no one can fail to reach the conclusion, as Signor Mussolini did, that the Japanese regarded the disappearance of Mr. Kuramoto as an excellent opportunity for fresh aggression in this country.

"So convinced were the Japanese papers of the soundness of their conclusions that five days after the disappearance of Mr. Kuramoto there was a unanimous demand on the part of Japanese nationals at home and in China for drastic action. What is worse, Mr. Suma, Japanese Consul-General, inflamed the passions of his compatriots by giving out interviews, denying that Mr. Kuramoto could have committed suicide, and insinuating that the Chinese authorities had been guilty of culpable negligence in the protection of foreigners in Nanking. He even went so far as to say that the Kuramoto case could only be comparable to the Sugiyama murder in 1909 and the Nakayama affair in 1931."

Argentine and U. S. Supplied All Wheat Imported During May

Argentine supplied wheat to Shanghai to a value of Gold Units 1,045,532 during May. America during May supplied G.U. 2,386,757. No other country supplied any wheat during the month. Out of a total of G.U.12,629,551 of wheat imported during January to May inclusive, Argentine supplied G. U., 2,744,966; U. S., G.U. 8,594,826; Australia, G.U. 671,849. A gold unit is worth just a bit more than two Chinese dollars.

Netherlands India Maintains Strong Lead in "Gas" Imports Into Shanghai

Customs statistics for Shanghai for the months from January to May (inclusive) show that out of a total of gasoline imported to a value of G. U. 3,110,462, Netherlands India supplied G. U. 2,411,016 and the United States G. U. 483,309. The figures for kerosene import for the same period are: Total, G. U. 4,436,156; Netherlands India, G. U. 1,747,013; U. S., G. U. 1,823,775.

Ford Building at Chicago Has Sensational Lighting Effects

What is described as the greatest electrical installation ever made in a single building—a lighting, power and amplifying system requiring miles of electric wiring—has been constructed at the Ford Exposition Building in Chicago, the largest individual exhibit at the 1934 World's Fair. One of the most sensational lighting effects ever achieved is be a torch of light, 200 feet broad at its base, which springs from the parapet of the open court on the building, rising under proper atmospheric conditions to a height of one mile. The powerful beam is developed through the use of 24 thirty-six inch projector searchlights, resulting in a 30,000,000 candlepower display.

Greater Shanghai Population in Excess of Three Millions

The population of Greater Shanghai (including the International Settlement and French Concession) for the month of May totalled 3,391,652, according to statistics compiled by the Municipal Bureau of Public Safety. The population in the Chinese City was 1,887,248, of whom 10,167 are foreigners. Compared with the preceding month, there is an increase of 14,216 persons. The number of households was 386,985, of which 2,316 are foreign. There were 971,397 Chinese and 36,471 foreigners in the International Settlement, and 478,755 Chinese and 17,781 foreigners in the French Concession.

Nineteen Chinese Graduate from Military Academy in Japan

Nineteen Chinese were among the 340 graduates from the Military Academy who received their diplomas at Tokyo, June 29, in the presence of Emperor Hirohito. Twelve had taken the infantry course and seven the cavalry course.

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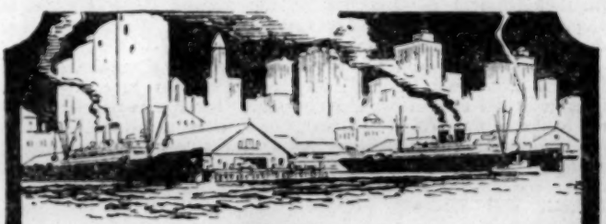

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Communications Ministry Explains New Accounting System

The healthy financial state of China's postal, navigation, and civil aviation services was referred to in a statement issued in Nanking June 27 by the Ministry of Communications concerning the creation by Dr. Chu Chia-hua, immediately on his assumption of the post of Minister of Communications, of a Chief Accountant's Office in the Ministry for realization of independent accounting. The statement attributes the miserable plight of various communications organizations partly to a defective system of accounting and to inefficiency. With regard to accounting there has been an improvement in personnel and the creation of a new system, which have had satisfactory results. After a loss of more than $10,000,000 in 1932, the budget of the Postal Service was balanced in 1933, and the statement claims that there is now a possibility of making a profit. It cites the improvement in deposits in the Postal Savings Banks and the measures taken to put the aviation services on a better financial footing. It also states that the measures for the control of navigation have had good results. All steps, it says, have tended to make communications enterprises self-supporting.

T. V. Soong, June 27, categorically denied the Japanese report that China is negotiating for a new loan of Gold $30,000,000 from the United States to finance the development of the Northwest. In connection with this report, it is learned that it originated with the Japanese, alleging that Mr. Soong had approached the U. S. Government for an additional loan for the above sum to be secured on the proceeds of the tobacco tax and refunded in 15 years by installments The report further alleged that the loan would be principally devoted to the agricultural development of the Northwest and that part of it would be paid over in agricultural implements.

Dr. H. H. Kung Orders Registration of Banks

A new ruling dealing with the unauthorized establishment o banks was made at the meeting of the Executive Yuan June 26 in accordance with the petition of Dr. H. H. Kung, Minister of Finance. Minister Kung recommended that a circular order be issued by the Executive Yuan to the Provincial and Municipal Governments requiring loacl banks whose establishment has not yet been sanctioned by the Ministry, to apply to the Ministry for registration in accordance with the Regulations governing the registration of banks and the detailed procedure for enforcement of the Regulations. Banknotes which have been issued by such banks should be withdrawn within a stated period, it is ordered.

Press reports that the Ministry of Finance is contemplating the establishment of branches of the Central Bank of China in certain foreign capitals. (Rome London, Berlin, Washington) are denied by Li Tang, Secretary of the Ministry.

Sun En-lin, member of the Cotton Control Committee of the National Economic Council, who arrived in Sian June, 29, in an interview said that in order to improve the cotton district along the banks of the Wei Ho (River), the Cotton Control Committee has requested the Kincheng Bank, Bank of Communications, Shanghai Commercial and Savings Bank, Chekiang Industrial Bank, the Four-Province Farmers' Bank (for Honan, Hupeh, Anhwei and Kiangsi) and the Bank of China to organize a syndicate for loans to the farmers, in cooperation with the Cotton Improvement Station. The banks will send representatives to make arrangements.

The Ministry of Industry has drawn up measures for the flotation of a $10,000,000 loan for the relief of the Chinese coal trade.

The Ministry of Industries and a group of leading industrialists in Shanghai are perfecting plans for the establishment of a factory to manufacture alcohol for use in domestic industries. An area of 120 mow of land in Pootung has been purchased as the site of the factory and construction of the factory buildings has already begun.

Four ships ordered by the China Merchants Steam Navigation Company are all under construction in England. The *Hai Yuan*, first of the four ships, is expected to be completed by the coming November.

Chientang River Bridge to Have Longest Span This Side of Yangtsze

According to a report issued last week by the engineering office of the Chientang River Bridge administration, the boring work, considered the most difficult of pre-construction efforts, is nearing the shore opposite Hangchow. Some 40,000 barrels of cement will be poured to form a solid and reliable foundation, and the superstructure will contain more than 5,000 tons of steel. The only highway and railway combination in China, the Chientang bridge, will have the longest span this side of the Yangtze River.

Shanghai-Nanking Railway to Borrow More Money from British

Negotiations have been started by the Shanghai-Nanking and Shanghai-Hangchow Railway Administration in consultation with the Ministry of Railways for a loan amounting to $5,000,000 from the British-Chinese Corporation, the chief creditor of the railway. The loan would be used for the construction of the unfinished section from Zahkow to the Tsao-O River of the Shanghai-Hangchow-Ningpo-Railway. A separate loan has been obtained from leading Chinese banks to cover the expenses for the construction of the bridge to span the Chientang River between Hangchow and Zahkow.

Train service on the newly completed Taiyuan-Kiehsiu section of the projected Tatung-Puchow Railway was started July 1.

An observatory is to be established at the Paracel Islands, south of Hainan, by the Ministry of Navy. The cost of construction and the initial expenses are estimated at $190,000, which will be appropriated by the Ministry of Finance.

With regard to the petition of Shanghai fishery merchants for the suspension of the "Tahua" Fishing Company, which is alleged to be partly owned by Japanese interests, it is understood that the Ministry of Industry has instructed its Fishery Office in Shanghai to make a thorough investigation of the present activities of the said company and report to the Ministry.

The North-western branch of the National Economic Council has decided to construct along the Sian-Lanchow Highway five main stations at Sian and Pin-hsien (Shensi); Pingliang, Huachialin and Lanchow (Kansu). Hotels will be opened at these stations for the convenience of passengers.

Sianfu-Lanchow Highway Under Construction

Work was started June 23 on the construction of a motor highway between Sianfu in Shensi and Lanchow in Kansu. About 5,000 workers are supplied by different military units in Shensi and Kansu. Construction was started simultaneously at both ends.

The two-day meeting of the Highway Construction Committee of the National Economic Council closed at Nanking June 27 after adopting a total of 34 resolutions. Among the more important resolutions adopted were those for the speedy establishment of an automobile factory, opening of petroleum fields, the construction of highways and operation of omnibus services by private enterprise.

The Ministry of Railways has worked out definite measures for the protection of trains on different Government railways. Apart from increasing the number of railway guards on every train the Ministry has decided that a certain number of plain clothes guards shall accompany the train.

By an order of the Ministry of Railways, Tseng Chung-ming, administrative vice-minister of railways, Messrs. Chang Ching-lih and Chen Yao-tsu, departmental directors of the ministry, have been appointed the ministry's representatives on the Committee for the Custody of the Railway Reconstruction Sinking Fund.

The Shanghai Chinese Chamber of Commerce has submitted a petition to the Government urging that the use of Chinese pen and ink by different government offices and schools be encouraged by way of assisting China's home industry.

Dr. Rajchman Says League Will Continue Cooperation with China

Dr. L. Rajchman, in an interview in Geneva June 20, said that his report on technical cooperation in China is now being examined by the League's technical organizations which, with his assistance, will submit further information on the position to the China Committee, which has not yet made decisions on his report. He stated, however, that co-operation of the League with China will certainly continue and that for this plenty of money is available, but further developments must depend on the governments represented on the committee and especially on those of the great powers. Dr. Rajchman added that he was certain that an international loan to China was not even being considered; he is positive that the Japanese-American rapprochement of March 21 has not implied any change in the attitude of the United States towards, or solicitude for, China.

A Plea That China Should Develop Northwest

The *China Times* comments:—"China is gradually drifting towards economic bankruptcy as a result of the dumping of foreign goods in China. She is fighting a losing battle against foreign aggressors both in the political and economic sense. In order to save herself from certain destruction it is absolutely necessary to reinforce her own strength by developing the vast North-west, which so far has escaped the attention of the public. Every country in the world is looking for new colonies, but China has even overlooked her own territory! The Northwest has strong possibilities. Even the development of the agricultural enterprises in that region alone would be sufficient to save the country. . . . In recent years capital in the country has been concentrating in Shanghai as a result of the bankruptcy of rural districts. According to estimates made in Shanghai alone no less than $2,000,000,000 in cash is concentrated here. In spite of the presence of this surplus capital we fail to see any of the funds being used for the development of industry. The capitalists are indulging in speculative business and productive enterprises have not even been thought of. This indicates that the capitalists are at a loss to know how to invest their money while the banks are having much difficulty in the distribution of their deposits. But if the money could be used for the development of Szechuen the economic depression in the interior and the difficulties of the Shanghai banks to dispose of their surplus capital could both be removed."

Air Raid Maneuvers Carried Out at Dairen

Air raid maneuvers on an extensive scale were carried out at Dairen on the nights of June 19, 20 and 21. The preparations for the event were of the most minute character. Not only were Chinese and Japanese residents warned as to how to conduct themselves during the maneuvers, but handbills in flaming red were issued by the *Manchuria Daily News* for the benefit of foreigners. The maneuvers were performed as planned and with perfect success.

The spectacular destruction of a dummy fort by real projectiles dropped from aircraft on June 17 at Hoshigaura (Star Beach) marked the completion of the rehearsal which ushered in the three-day maneuvers.

A light-control test was staged on the night of June 16, which was perfectly carried out, according to a Port Arthur officer who flew over the city. More than 200,000 residents of Dairen and the surrounding districts gathered on hill tops and other places of vantage to view the novel spectacle of the demolition of an "enemy fortification," as the ground trembled to the fierce explosions which were heard for miles around. Three bombers let fall 18 heavy bombs each in quick succession. The first scored a direct bulls-eye on the improvised fortifications, constructed of boards and calico cloth. The "fort" disappeared at once in a column of earth, debris and smoke. Three light bombers followed the heavy craft and the "enemy stronghold" disappeared entirely to the crash of metal and showers of the countryside flying in all directions skyward. This was but one of many realistic demonstrations. Three bombers and three battle planes made circular flights over Port Arthur while a "night raider" flying at an altitude of 8000 meters, was accurately and quickly detected from no less than five different observation posts in Dairen.

General Huang Buys Fifty Planes for Kwangtung Forces

General Huang Kwang-yu, Commander-in-Chief of the Canton Air Fleet, who is at present heading an aviation mission abroad, has been ordered to shorten his European tour and to come back next month to organize new squadrons. The new Canton Army Air Corps, it is stated, is to be strengthened by 50 new fighting planes which General Huang Kwang-yu has ordered from the United States and Italy. Consisting mostly of pursuit planes, scouts and fighters, these consignments are expected to arrive in China early in July. General Huang and his party are to sail from Brindisi on July 11 on their return to China.

Another home-made airplane has been completed by the Aeronautic Works of the Chinese Aviation Administration. The plane will be named *Java*, as donations from overseas Chinese in Java were devoted to its construction. The total cost is about $50,000.

The China Aviation Company is making preparations for the inauguration of an air service between Shanghai and Tibet.

A free ride on one of the China National Aviation Corporation planes from Shanghai to Nanking or vice versa is offered to two persons who have two handbills bearing the official seal of the National State Lottery Administration. The two handbills were among 50,000 dropped by C. N. A. C. planes flying the Shanghai-Nanking-Hankow airmail route beginning of last week.

General Chiang Kai-shek received Captain Sun Tung-kang, the young trans-continental flyer, at the Central Military Academy June 25 when the latter was instructed to proceed to Nanchang to receive a few months' training in the Aviation Administration before going abroad for further studies.

Six Japanese naval seaplanes will leave Sasebo July 6 on a formation flight to Harbin and back.

U. S. Orders 81 Bombing Planes at a Cost of $3,000,000

Secretary of War George Dern put in an official order June 29 for 81 new bombing planes costing U. S. $3,000,000. The order marks the commencement of the realization of a program toward putting American military aviation on a parity with that of other powers.

Moscow Denies Japan-London Airline Plan

With reference to a report published some time ago in the Japanese press, alleging that an airmail line, Tokyo-London, via Manchuria and Moscow, would be opened in the near future, the *Tass* News Agency states that nothing is known on the subject in competent circles in Moscow.

Germany, which during the first months of 1934 effected very considerable purchases of aviation material in the United States, abruptly discontinued her buying in May, this year. While during the first four months of 1924 she bought from the United States 168 airplane engines and disbursed during that period a total of $1,169,000 on airplane manufactured parts, in May 1934 she purchased airplane parts in the U. S. up to a total of only $5,000.

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BABY'S OWN TABLETS.

The construction of a new Soviet two-engined transport amphibian airplane designed by the constructor Shavrov, has been completed. The plane has a cabin for 12 passengers and crew.

The world distance record for monoplane gliders was beaten June 25 by the the American flier Richard Dupont when he covered a distance of 145 miles in 6 hours 10 minutes. The previous record, 129 miles, was held by Germany for many years.

Louis Bleriot, famous French aviation pioneer, who flew the Channel 25 years ago, is seriously ill.

Trials have been started by the British Air Ministry, of a new bombing plane fitted with a 630-H/P. motor and 24 cylinders cooled by air.

Squadron Leader S. P. Collett. son of the Lord Mayor of London, was killed during the Royal Air Force display at Hendon England, June 30 when a bomber in which he acted as an observer crashed and burst into flames.

After battling a violent storm during which they were almost blinded by wind and ice, Joseph and Benjamin Adamowicz, Polish aviators, landed at Chesnary in Orne, France, Jnne 30, crossing the North Atlantic in 23 hours, 1 minute, out from Harbor Grace.

"Shuntien" Pirates Implore General Han Fu-chu for Pardon

A letter from the pirates who recently attacked the *Shuntien* (asking for leniency) has been forwarded to General Han Fu-chu, Chairman of the Shantung Provincial Government, through Sun Tan-lin, one-time Minister of Interior in the Peking regime, who was the first Chinese captive to be released by the pirates. The pirates say that to avenge the execution of their leader and the dissolution of the Joint Fishery Association, they decided to kidnap some foreigners "in order to attract the attention" of the Provincial Chairman to their difficulties. Stating that this piracy was a "last resort," the outlaws implore General Han to specially pardon them for their misconduct.

Two more Chinese captives in the *Shuntien* piracy were released June 29. According to a report from Chao Ming-yuan, Commander of the Militia Corps stationed at the mouth of the Yellow River, the pirates, totalling more than 100, have again sued for surrender. The two Chinese captives were set free by the pirates in order to "demonstrate their earnestness."

The s.s. *Taishan*, a ship on the Quenshan-Ningpo service, was pirated on June 28 by a band of Taichow pirates which boarded the vessel disguised as passengers. The Chinese compradore and two others were kidnapped. The ship arrived at Ningpo July 1.

Foreign Marines May Not Land, Nanking Rules

The Government has issued a special order to all the provinces instructing the local authorities to see that in future foreign warships in Chinese waters must comply with treaty stipulations and that the authorities must never give these warships facilities not stipulated in Sino-Foreign treaties. The order lays special emphasis on the point that foreign marines should not be permitted to land in interior Chinese cities.

Herr Hitler Puts Down Revolt in Germany Promptly and Ruthlessly

The Hilter regime in Germany, acting with surprising swiftness and power, suppressed a revolt in the Nazi ranks June 30. General von Sleicher, former Chancellor, was shot dead resisting arrest; his wife was killed at the same time while trying to intervene. Herr von Papen, Vice-Chancellor, was for a time under detention. Wholesale executions and arrests were carried out.

What is believed by Hitler and his close associates to have been the final blow at the revolutionary plot was struck at Munich July 1 when Captain Ernst Roehm, the commander-in-chief of the Nazi Storm Troops, was executed, after twice refusing to kill himself.

The British press generally sees in Hitler's ruthlessness the beginning of the end for Hitlerism.

There was a growing feeling, even before the recent revolt, as evidenced by articles appearing in newspapers in many parts of the world, notably in the *New York Evening Post* that the Nazi regime in Germany is rapidly drawing to a close. The agitation against his dictatorship has grown rapidly within the country, although the censors did their best to keep the news to that effect out of the German newspapers.

A Note from tbe United States to Germany June 28 strongly protested the discrimination against America in Germany's moratorium. The United States Government expects Germany to make every effort to pay, and says that her financial difficulties are largely of her own making.

Referring to allegations made in France, that Germany is preparing to wipe out entire cities by chemical and bacteriological warfare, the semi-official *Diplomatisch-Politische Korrespondenz* recently stressed that this revival of anti-German propaganda is evidently serving the purpose of making the enormous increase of French armaments palatable to the French public.

Control Yuan Files Impeachment Against Minister of Railways

The Control Yuan has filed an impeachment against Kn Meng-yu, Minister of Railways, for his alleged violation of the proper process in concluding the Tatung-Tukwan Railway Construction Loan.

Mr. Ku has issued a lengthy statement in refutation of the charges of violation of law and corruption preferred against him. Among other things, Minister Ku points out that the agreement,on which the charges against him are based, is only an agreement "for the purchase of railway materials," and must not be regarded as a loan agreement.

A number of judicial officials was transferred or relieved of their duties by the Executive Yuan June 26. Wang Kang-hsu, President Judge of the Kiangsi Provincial High Court; Hsiao Wei, Procurator of the 1st Branch of the Kiangsi Provincial High Court; and Ai Tso-ping, Presiding Judge of tne Nanchang District Court; are transferred to other posts or placed on the reserve list. Lin Ta-wan, Li Mien and Cheng Chih, Presiding Judges of the Kiangsu Provincial High Court; Wu Yu-heng, Presiding Judge of the 1st Branch of the Kiangsu Provincial High Court: Hsu Wei-chen, President of the 2nd Branch of the Kiangsu Provincial High Court; and Hu I-ku and Chu Yuan, Presiding Judges of the 2nd Branch of ths Kiangsu Provincial High Court; are appointed to other posts.

The Control Yuan has referred the following cases of impeachment to the Committee for the Disciplinary Punishment of Public Functionaries for decision: Sun Shu-tang, District Magistrate of Miyun, Hopei, who is charged with acceptance of bribes; Huang Fu-hsing, Ma Chen-pang, Peng Kuo-yen, Sun Shu-chang and Wang Lan-ching—formerly District Magistrates of Peihsien, Kiangsu—who are charged with violation of law and dereliction in official duty; Tai Ju-chia, Chief Procurator of the District Court at Fouyang, Anhwei, who is charged with disregard for human life; Chu Chuan-ting, Director of the Detention House of the District Court at Linchuan, Kiangsi, who is charged with embezzlement of public funds.

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Impeachment Brought Against Dr. J. Heng Liu

An impeachment against Dr. J. Heng Liu (Director of the Health Administration of the Ministry of Interior) and Dr. Shen Ke-fei, Deputy Director of the Central Hospital, has been brought by the Control Yuan in a communication to the Committee for the Disciplinary Punishment of Public Functionaries. As Director and Deputy Director of the Central Hospital, Drs. Liu and Shen are charged with neglect of duty and disregard for human life.

Yellow River Threatens to Change Course Once More

A the result of Yellow River rising continuously the district of Pingming, opposite Tungkwan, is on the verge of being flooded. The district is in special danger because the Yellow River in that section is threatening to change its course and is rapidly approaching Pingming.

The Yellow River Conservancy Board last week wrote to the various Provincial Governments concerned, requesting that their River Affairs Bureau be ordered to rigidly observe the regulations governing the supervision of flood-prevention work in the provinces served by the Yellow River.

Changyuan and Fengchiu in southern Hopei have again been inundated in consequence of the sudden rise of the Yellow River.

Torrential rains occurred at Hsuchow during the week. As a result the rivers around the city are rising.

Traffic on the Peiping-Hankow Railway is temporarily interrupted as a result of the flood at Chiaochuang, a city on the railway in south Honan.

Rain fell in Shensi province June 30 to the great relief of the farmers. Shao Li-tzu, Chairman of the Shensi Provincial Government, in a telegram to Yu Yu-jen, President of the Control Yuan, who is a native of Shensi, states that as a result of heavy downpours, a drought in Shensi may be avoided.

Water in the Han River is rising rapidly with an average rise of one foot a day. The authorities are taking effective measures to prevent a possible flood.

The Sungari river is rising rapidly. The water-mark rose by one metre June 28. Heavy rains fell end of last week, while the rain still continues to fall at present.

Who's Who in China

General Ning Hsiang-nan, Government official; born at Peiping, 1904; he comes of a good family, his father being a distinguished man of letters; after being graduated from the China National Institute at Shanghai with B.A. degree, he went to Japan the post-graduate school of the Tokyo Imperial University for advanced study; after completing his course there, he returned to China and served as an officer under Marshal Chang Hsueh-liang; appointed Director-General of the Second Special Administrative Area of Tientsin in 1930, acting concurrently as Director of the Tax Bureau of the Tientsin Municipal Government six months later; in recognition of his services in handling the delicate situation after the First Tientsin Incident in 1931, he was appointed Director of the Foreign Affairs Department of the Peiping Military Affairs Commission 1932; promoted Commissioner of Public Safety of the Provincial Capital of Hopei (Tientsin) late in 1932, which post he now holds; shortly after his assumption of office, the Second Tientsin Incident occured and due to his tact, bravery, intelligence as well as firm determination, the disturbances were soon quelled and peace and order restored in Tientsin; he is popular with and respected by both Chinese and foreigners in Tientsin; he is unmarried; address: Bureau of Public Safety, Tientsin, Hopei.

甯向南

General Ning Hsiang-nan

甯向南，於西歷一九〇四年生於北平，父爲知名之士，一九二六年畢業上海中國公學大學部，爲求深造，東渡日本入帝國大學研究院專攻政治經濟，勤讀之餘又攷察彼邦實際情形，學成歸國後任張副司令部下服務，一九三〇年任天津特二區主任，旋兼任天津市捐務處處長，一九三一年第一次天津事變，被派爲交涉專員，折衝樽俎，氏之力也，翌年調主北平軍分會外交組事，是年冬膺任河北省會公安局局長，就職未數月，而第二次事變又作，益以敵寇侵入，華北危殆，氏不避艱巇，挺身而出與惡勢力周旋，卒賴其超人之智慧與機警，竟於最短時間內將全市秩序恢復，人心於是大定。氏在華北頗受中外人士之推崇，其待人和藹而至誠，處事練達而嚴格，誠不可多得之人才也。

British Boxer Indemnity Board Issues Semi-Annual Report

The Report (July to December 1933) of the board of trustees for the administration of the Boxer indemnity funds remitted by the British government, has just been issued. During the period covered by this semi-annual report, the Board has concluded its most important loan to the Ministry of Railways for the completion of the Canton-Hankow Railway, which represents the work of nine months of deliberation. As to educational work, the first group of students awarded with scholarships of the Board was sent to England in September. Loans to the Ministry of Communications and to the National Construction Commission respectively in materials and in cash were deliberated upon and granted. To the China Merchants Steam Navigation Co. a loan was granted for the development of shipping, while cash loans to the Hwai River Conservancy Commission were also granted for the work of conservancy. There was no change in the personnel of the Board and in the staff of the Office of the Board. A detailed description of the activities of the Board during the six months of July to December 1933 is giver in the report, which runs to 327 pages. The board of trustees has as its chairman Chu Chia-hua. R. Calder Marshall is the vice-chairman.

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Who's Who in China

(with Supplement)

The standard edition of *Who's Who in China*, published in 1931, has now been brought up to date through the publication of a 200-page supplement. The two books contain the pictures and biographical sketches of the leading men and women of affairs, in government service, business and the professions.

It's the only work of the kind in the English language, is fully indexed in both English and Chinese and most of the sketches contain the latest addresses in addition to information pertaining to date and place of birth, education, careers, etc.

No business office, home, school or public library is complete without *Who's Who in China* giving complete information about the leading men and women of affairs in the Chinese Republic.

If you already have the standard edition published in 1931, order the Supplement only. If not order both books. The prices in Chinese silver or U. S. currency, including postage are as follows:

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The China Weekly Review

160 Avenue Edward VII

Shanghai.

Men and Events

F. Tillman Durdin, managing editor of *The China Press*, is spending a vacation in Japan.

Edwin S. Cunningham, American Consul-General, proceeded to Japan July 3 on a short leave of absence.

Loh Yuen-sung, a garage owner who was sentenced to death for being concerned in an armed kidnapping, May 22, was executed in the Minghong prison compound, June 29

I. Delvaux de Fenffe, Acting Consul General for Belguim, and Mrs. de Fenffe, gave a garden party the Belgian Legation in Shanghai June 29.

Reuters has started a Canadian news service. It is recorded that in April imports from China into Canada increased over April, 1933, by 158 per cent.

Bubonic plague has broken out near Lungyen, southwestern Fukien. Two persons have succumbed to the disease while 16 are reported to be infected.

M. Bogomoloff, the Soviet Ambassador to China, proceeded to Hankow this week to make preparations for the re-opening of the Soviet Consulate there.

Beginning July 1, all the Ministries and other Central Government organs in Nanking are suspending functioning in the afternoon in view of the intense heat.

Bishop William C. White, of the Canadian Church Mission in Honan, who returned to Canada early this year bas been appointed to the Chinese department of the University of Toronto.

Mrs. Roy W. Howard accompanied by her daughter Jane, is due to arrive in Shanghai July 17. Mr. Howard is head of the Scripps-Howard newspapers and the *United Press*.

The China Society of America gave a luncheon in honor of Li Ming, chairman of board of directors of the Bank of China, at the Bankers Club, 120 Broadway, New York City, May 31.

Yu Tsu-ting, well-known Chinese banker in Shanghai, was elected Chairman of the Shanghai Chinese Chamber of Commerce July 1. Mr. Yu is a native of Ningpo. He succeeds Wang Hsiao-lai, the retiring Chairman.

A. Burlingame Johnson, at one time a member of the United States consular corps in China, died in Pasadena, California, June 29 at the age of 77. He was associated at one time with the Tung Wen Institute at Amoy.

Following the official ban on mixed bathing and on "immoral" films, the Canton Authorities are taking a further step to safeguard the moral standards of the people there by forbidding the local press from publishing any news dealing with adultery cases.

The *South China Press* has been established at Amoy. It is printed in English on one side and Chinese on the other side of one small sheet. It is to appear twice a week. The managing editor is Isaac Vellegas Ty. The editor is Arturo de Leon.

An interlecutory decree of divorce was granted to Mrs. Patricia E. Smith by Judge Milton J. Helmick in the United States Court for China against Harry F. Smith, July 2. Defendant was ordered to pay $175 monthly for maintenance of the children.

I. H. Young, one of the executive secretaries of the Chinese Y.M.C.A., Shanghai, and Jinzaburo Mumagai, secretary of the Tokyo Y.M.C.A., were seriously injured in a motor-car accident in Tokyo, June 29.

M. S. Myers, United States Consul-General in Mukden since before the outbreak of the Mukden Incident of Sept. 18, 1931, received orders June 27 for his transfer to the Division of Asiatic Affairs at the State Department in Washington.

The death occurred at Cambridge, England, June 29 of the Rev. Arthur Sowerby, who for 40 years was a Baptist missionary in China. He was the father of Arthur de C. Sowerby, editor of the *China Journal*.

Edward L. Faupel, of Los Angeles, has been appointed marshal of the United States Court for China in succession to Thurston R. Porter, former Washington and Cincinnati newspaper man, who was appointed marshal by President Harding on March 31, 1922.

Dr. H. Y. Tsao will join the Shanghai Y.M.C.A. as a secretary next month to take the principalship of the Y.M.C.A. Day and Evening School on Szechuen Road. Dr Tsao for the last few years served as general secretary in the Hongkong Y.M.C.A.

Mayor and Mrs. Wu Te-chen were hosts at 464 Avenue Haig July 2 at a dinner party in honor of Sir Frederick and Lady Whyte. Sir Frederick was formerly president of the house of representatives in India and subsequently became an advisor to the Chinese Government.

Edward P. Bell, special editorial commissioner for the *Literary Digest*, arrived in Yokohama last week. After remaining there several weeks to study political and other developments in this part of the world he will continue on his way around the world by way of China, Manchukuo and Russia.

A recent message from Geneva stated that a resolution censuring El Salvador, for its recognition of Manchukuo is to be presented to the September session of the General Assembly of the League unless El Salvador returns a statisfactory reply to the request of Joseph Avenol, Secretary-General of the League, for an explanation of the recognition action.

Glen Avrian Smith, an American, was fined $10 by the Central Magistracy in Hongkong last week for having failed to report the police authorities for registration, being an alien.

The engagement is announced of Miss Eleanor Cornelia Hykes, daughter of Mr. and Mrs. John M. Hykes, of Shanghai and Lieutenant J. L. Thibault, U.S.N., son of Mrs. Henry Thibault of Little Rock, Arkansas.

Three foreigners, whose names were not disclosed, escaped injury when the auto in which they were travelling on the Hangchow road crashed into the sea wall June 30. A Chinese woman was killed. The Chinese police held the foreigners for questioning for several hours and then released them.

A message received by the Ministry of Foreign Affairs states that Tsai Hsien-chang, Consul at Palembang, Netherlands East Indies, has left Palembang for China, owing to difficulties with the Colonial authorities. During his absence, the Consulate will be in charge of Shen Tsu-chen, Vice-Consul.

A circular issued by the New York office of the National City Bank June 4 gives details of the arrangements that were made necessary to meet the requirements of the Banking Act of 1933 passed last June which required divorcement of commercial banking from investment banking within one year.

Norman Soong, a graduate of the School of Journalism of Yenching University, was in Shanghai last week on his way to the United States where he will enter the School of Journalism of the University Missouri as a graduate student. Mr. Soong is a native of Hawaii. After completing his work as Missouri, Mr. Soong hopes to return to China to engage in newspaper work.

The Academia Sinica (National Research Council) has decided to organize an investigation party to Yunnan to study the local dialects and the climatic and geological conditions in Yunnan province. Dr. V. K. Ting the newly appointed General-Secretary of the Council, has been commissiond to lead the party, which will set out for its mission in September.

The *African Observer* is the name of an excellent review of contemporary affairs in Southern Rhodesia, which has recently been started at Bulawayo. Prominent articles in the June issue are; The Future of Education In Africa, by H. R. Raikes; and The Natives of Southern Rhodesia—Their Position After Ten Years Under Responsible Government, by H. M. G. Jackson.

The strike of the Chinese employees of the Taylor Garage came to an end last week. Among the conditions of settlement was that the management would spend $300 to entertain the strikers at a dinner. The Russian newspapers in mentioning this fact commented that the Russians who kept up the service during the strike received no such consideration.

The new trade agreement between Great Britain and France has dealt a blow to Chinese silk. The Silk Federation officials in London have expressed the opinion that any benefit derived from the lighter duties on dyed and printed silks, of which British imports from China are trifling, would be completely wiped out by the heavier duties on unprinted and undyed silk.

The China Institute of International Relations gave a luncheon June 26 at the Bankers' Club in honor Sir Frederic Whyte, formerly adviser to the Chinese government, and Archibald Rose, member of Council of the Royal Institute of International Affairs in London. Among those present were Messrs. Singloh Hsu, P. W. Tsou, L. S. Nieh, Herman Liu, Usang Ly, P. W. Kuo, T. B. Chang, Hollington Tong and J. S. Tow.

Signor Mussolini gave a dinner in Rome June 26 in honor of the Chinese Minister at Rome, General Liu Wen-tao, and General Yu, at which many of the leading political figures in Italy and prominent members of the Diplomatic Corps were present. Earlier in the day, General Yu was granted an audience by the Pope, to whom he presented some silk tapestry embroidered with birds and flowers as an augury of peace and good fortune.

Several hundred guests were in attendance at the Wusih Club, Hungjao Road, to attend the garden party of the Pan Pacific Association June 30. Dr. and Mrs. Esson Gale of the Salt Revenue Office, Arthur Basset of the British-American Tobacco Company, C. E. Marden, P. K. Chu of the International Students, Federation, Dr. P. W. Kuo of the Shanghai Trust Company, Col. L. M. Cosgrave, Cannadian trade commissioner and others received the guests.

Judge Wang Shih-mu assumed his new office as President of the District Court of the Second Special District (French Concession) in Shanghai June 29. The ceremony of induction was attended by many notables in the city including Mayor Wu Te-chen, Commissioner of Public Safety Bureau Major-General Wen Hung-en, Judge Sheng Shi-ching, President of the Shanghai District Court, Judge Kuo Yun-kuan, President of the District Court of the First Special District, and representatives of the various organizations.

Americans in Shanghai Celebrate Independence Day

American Independence Day (Fourth of July) was celebrated by Americans in Shanghai in the usual manner. The principal event was a reception at the American Consulate General, at the noon hour. These were also receptions at the American Club and the Columbia Country Club. Open house was observed on the U. S. S. *Tulsa*, flagship in these waters.

President Roosevelt Appoints Steel Industry Board

A strike in the U. S. steel industry was averted June 28 when an arbitiation board of three was appointed by President Roosevelt. As against this a strike in the public utilities of Miliwaukee, Wisconsin, assumed ugly proportions. The police and the strikers engaged in frequent clashes. Eventually the strikers were victorious and peace was restored. At San Francisco, attempts to break the longshoremen's strike have resulted in violent riots.

A heat wave in the Middle West latter part of last week caused several hundred deaths. The temperature reached 105 at Ottawa, Ill., June 28.

President Roosevelt June 30 signed the Frazier-Lemke Farm Bankruptcy Bill, which grants farmers a virtual six-year moratorium on the foreclosure of mortgages but contains none of the inflationary provisions which were the outstanding feature of the original measure.

Gen. Hugh S. Johnson, National Recovery Administrator, announced June 30 that Henry Ford had sent certificates of compliance for the Ford Motor Company to the N. R. A. giving formal notification that the company has complied with the automobile code which Mr. Ford had up until that time declined to accept.

The two divorces in the family of President Roosevelt are a "disgrace to the nation," it was charged in New York, June 29 by the Rt. Rev. Charles Fiske, Bishop of the Central New York Episcopal Diocete, in an article in the *Living Church*, organ of the Episcopalian faith.

William R. Langer, former governor of North Dakota, was sentened June 29 to 18 months' imprisonment and a fine of $10,000 by the federal court on a charge of defrauding the United States government.

Thirteen bankers were indicted in Detroit June 29 by the Federal Grand Jury investigating the collapse of the city's most important financial institutions, which was a prelude to the national bank holiday in March last year.

America Places Embargo on Silver---Japanese See Detriment to China

The U. S. Treasury June 28 placed an embargo on the export of silver, subject to certain exceptions. Secretary of Treasury Morgenthau said that the suddenness of the embargo on the export of silver was due to the receipt of information to the effect that international speculators were making large shipments of the white metal to indefinite foreign destinations. Mr. Morgenthau emphasized the fact that the embargo will not interfere with legitimate business and declared that business men consider Shanghai's reaction to the embargo good. No attempt will be made to interfere with legitimate transactions, he said, pointing out that a Chase National Bank silver shipment placed on board ship at New York was immediately licensed. Licenses will even be issued by telephone if necessary, Mr. Morgenthau sated.

The embargo on the silver exports proclaimed by President Roosevelt will affect China unfavorably, Juichi Tsushima, chief of the Finance Bureau of the Japan Finance Ministry, forecast June 30. The rise will increase the purchasing power of countries with silver currencies but in the long run it will decrease the exports causing an ultimate depression, he said.

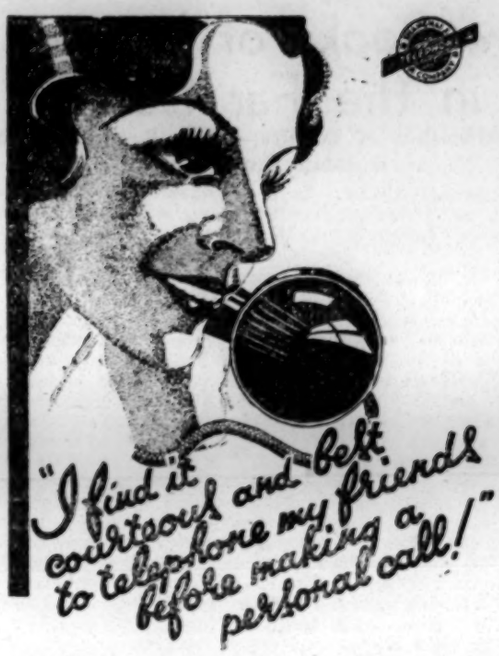
Opposction to the advocates of a higher price for silver was voiced by Li Ming, chairman of the Bank of China and the Chekiang Industrial Bank, at a luncheon held in his honor in New York May 31 at the Bankers Club, by the China Society of America. Among those who attended were Sao-Ke Alfred Sze, Chinese Minister at Washington, and a group of industrial and banking leaders.

Sir Arthur Salter, well known economist, writing in the *Manchester Guardian* June 28 said it is to be regretted that China's influence has not been exercised strongly, not for an artificial appreciation of silver, but for its stability. Sir Arthur says China's interest entitles her to a dominant influence in silver policy. She escaped the world depression in 1930 and 1934 because of silver falling.

Prof. James H. Rogers, American silver expert, was the guest of U. S. Minister Johnson at Peiping latter part of last week. Professer Rogers conferred with Dr. H. H. Kung, who was in the former capital at the same time.

China Contemplates No Embargo on Silver

With reference to foreign press telegrams alleging that China is contemplating putting an embargo on the export of silver or reducing the silver content of the standard silver dollar, it is was officially stated by the Ministry of Finance July 2 that such reports are baseless.



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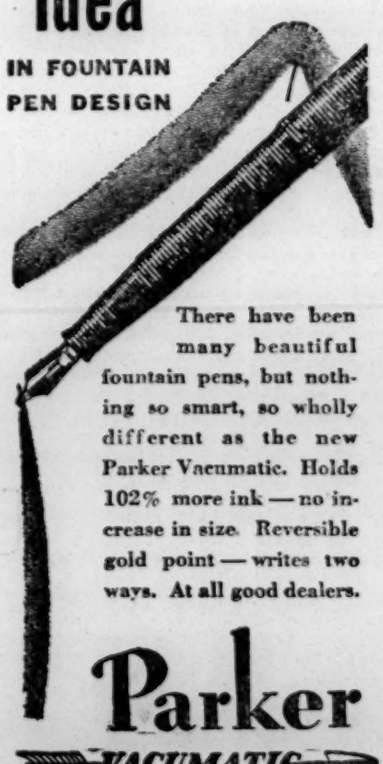

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New Books of Interest in the Far East

The Glorification of Futility,—Two Records of the Russian Emigres

The Homesick Million: Russia-out-of-Russia, by *W. Chapin Huntington, formerly American commercial attache in Petrograd; published by The Stratford Company, Boston, Mass., U.S.A.* 307 *pages.*

Once a Grand Duke, by ex-Grand Duke Alexander of Russia; published by Garden City Publishing Company, Garden City, New York, U.S.A. 348 *pages.*

Both of these volumes are not only extremely interesting, but are well worth reading as footnotes on the most important event growing out of the World War,—the Bolshevik revolution in Russia. Mr. Huntington's book is the first attempt, at least in English, to present the history of the Russian emigres, usually designated as the "White Russians," after their flight from the Red wrath, and while his work is unjustifiably prejudiced in their favor and incomplete in many respects, it will at least suffice as a source of essential facts until something better is offered. Alexander's book is an autobiography that was completed shortly before his death, and naturally is from the viewpoint of an emigre, but with all his partisanship he presents a more damning indictment of the Czarist regime that most neutral or even radical publicists. In discussing a previous book by him, "Twilight of Royalty," in these columns in June last year, this reviewer remarked on Alexander's high order of realistic intelligence; after reading "Once a Grand Duke" the reviewer is convinced that he was not only the most intelligent of the Romanoffs, but probably the only one who could really be called intelligent.

It is a much greater pleasure to read Alexander than Mr. Huntington. One expects the former to be prejudiced in favor of the class he represented, but to find him able also to view it with considerable objectivity is an enjoyable surprise. On the other hand, one has a right to expect that Mr. Huntington—not only a citizen, but once an official representative of the United States—will view fallen royalty with a certain degree of democratic satisfaction; instead he is one of that large and disgusting group of Americans who fawn like a hungry cat in the presence of titled persons, or even persons who have lost their titles and turned taxi-drivers.

"The handsome Grand Duke Cyril," "tragically shot by the Bolsheviks," "tragically put to death" by the Bolsheviks, "the Grand Duke Nicholas, tall, handsome and debonair," the "beautiful" Princess Irene," the "very handsome" Cyril, "General Miller . . . is a handsome man," "Princess Mestchersky, tall with lovely face," *etc. ad infinitum, ad nauseam.* Verily, such constant kow-towing is wearying, and even without any democratic prejudice, it would still be trying. For if any of the Romanoffs, male or female, were really handsome, all the photographs of them this reviewer has ever seen (including those in Mr. Huntington's book) must have been taken by subversive Bolshevik photographers. Certainly, representatives of degenerate dynasties are not usually endowed with any greater physical charm than they are with mental ability. And as far as the "tragic" extermination of all those on whom the Bolsheviks could lay hands is concerned,—well, the recent crowning of Pu Yi and the apparent imminence of a Hapsburg restoration prove quite conclusively the wisdom of the Red ruthlessness. Royalty cannot be restored when it no longer exists. But even if one must be so humane as to weep over slaughtered royalty, a few tears should be spared for those whom royalty slaughtered while it ruled. Mr. Huntington, however, never mentions the massacres by the Romanoffs.

There are, according to Mr. Huntington's estimates, approximately one million Russian emigres scattered over the world. France has the largest number, upwards of 400,000. China (including Manchuria) is next with about 120,000. Paris is the largest "Russia-out-of-Russia" city with Harbin next and Shanghai third. The bulk of the White Russian military and political organizations are in Paris, including the "Mining and Metallurgical Congress of South Russia" and the "Russian Association of Commerce, Industry and Finance," which are composed of Russian ex-capitalists who "closely watch economic developments in Soviet Russia, in anticipation of the time when they can return and *claim their own.*" (The italics are the reviewer's.) The adherents of Cyril, chief pretender to the fallen throne, are also largely concentrated in Paris. Two of them once gave him a yacht model. Others "attend" him when he comes to Paris. "It should be remembered" says Mr. Huntington, "that these young men are poor and have their living to make, so that such devotion means something." Indeed it does,—that they are idiots.

Mr. Huntington deals mostly with the emigres in France and apparently knows little of those in the Far East. There is no mention of the Russian cabaret girls and prostitutes in Shanghai, or of the petty gangsters that flourish in the Avenue Joffre district, or of the beggars, strike-breakers, and S.M.C. soldiers. Slight mention is made of the somewhat similar types in Paris, but there is no discussion of the significant species of mentality that many of the White Russians have developed which resulted in the assassination of the President of France over a year ago.

There are a few tears for the Russian cabaret girls of Paris. "As hostesses and entertainers, trying to stimulate gayety—and champagne consumption—among a lot of vulgarians, their job is trying and difficult." O yeah! Of course, if men are saps enough to fall for them, *nichevo*, but with all due disrespect for the manners and morals of the average cabaret patrons, they are no more "vulgarians" than the average Russian cabaret girls. However, the Russian cabaret girls doubtless do have a "trying and difficult" time in Paris,—because they haven't much of a chance to vamp customers in competition with the French (or other Latin) girls.

One outstanding fact that Mr. Huntington ignores is that the majority of the emigres could not only return to Red Russia in perfect safety, but would be far better off *economically* there than they are elsewhere. The reviewer, let it be emphasized, makes this statement without any illusion about the very low standard of living prevailing in the U.S.S.R., but also with considerable first hand knowledge of the standard of living of vast numbers of the emigres in such places as Shanghai and Harbin. Further,, Mr. Huntington himself gives evidence that conditions are equally bad among many of the emigres in Europe. "The diet of emigre children in Eastern Europe," he says, "consists black bread, potatoes, herring and a little onion or other such vegetable. Meat, butter, eggs and milk they never taste." Those in schools are better off than those outside; it is estimated that among the latter, 70% are chronically underfed. On the other hand, despite the almost constant food shortage that has afflicted the U.S.S.R., the children have been adequately nourished; even the severest critics of the Bolshevik experiment have admitted that.

Of course, many emigres could not safely return to the U.S.S.R. Whether or not one sympathizes with them, it cannot be denied that they are truly an ill-fated group of men and women. But they constitute the minority of the emigres, and it is as foolish as it is futile to shed tears over a destiny that is palpably inevitable.

Love affairs, imperial politics, revolutions and the fine art of being an emigre are all crowded into Alexander's book. His first love affair was with an American prostitute in Hongkong more than fifty years ago. Another was with a Japanese girl who was his temporary "wife" for a long period in Japan; he cynically and quite realistically describes the geisha and similar girls who entertain distinguished foreigners in Nippon as part of the "civil service" of the country. Many of Alexander's comments on women are as intriguing as they are sound. Of one mistress, he says: "Her Spanish-Italian ancestry accounted for her solid culture and had taught her that real refinement is an arch-foe of self-consciousness. *People called her a 'good sport.' In an Anglo-Saxon it would have frightened me. In a Latin it was adorable.*" Let Anglo-Saxon feminine readers ponder upon that for awhile.

The most interesting and important sections of Alexander's book are those dealing with the events that caused him to become an ex-Grand Duke. He makes little attempt to conceal the decadence of the family he represented. The Czar is clearly shown up as a weakling and a nitwit, although he is credited with good intentions. Grand Duke Alexis, who commanded the Russian navy during the Russo-Japanese war, is described very brutally: "His was a case of fast women and slow ships." Of Grand Duke Sergei, commander of the Moscow area, Alexander says that "try as I will, I cannot find a single redeeming feature in his character."

Of course, Alexander does not draw the logical conclusion from his own evidence of Romanoff decadence; emotionally, if not intellectually, he believes in the divine right of kings to rule regardless of whether they are nitwits or geniuses. But Alexander is as correct in his viewpoint that the minor concessions of the dynasty in 1905 were fatal, as he is brilliant in describing the dilemma that faced the feudal Grand Duke Nicholas in St. Petersburg: "The general strike of October, 1905, left him bewildered, his beloved military status prescribing no remedies for that sort of collective insurbordination. There was obviously no way of arresting several million strikers." However, Alexander apparently fails to realize that a democratic government, for which he has the utmost contempt, could have found a way out of such difficulties. A democracy can give in a lot in an emergency because, in theory, it represents the "will of the people," but when a divine autocracy starts making concessions they are rightly regarded as signs of weakness and also expose the hollowness of its supernatural pretensions.

Latter, in damning the Bolsheviks, Alexander quotes a former police official as saying "we could have hired almost every red celebrity, provided we were willing to meet his or her price." Quite probably he is right; certainly many have been hired in China. But Alexander fails to see this alleged fact as another example of Czarist stupidity. Further, he has failed to observe that when a radical gets too dangerous in a democracy, or even in a bourgeois autocracy, he is usually given a chance to reform with profit to himself,—and generally does. Nor is Alexander logical in another episode. He proudly records that when he took his oath as a Grand Duke there was no melodrama. "Royalty has an aversion for melodrama and nobody volunteered to lecture me on the meaning of the oath, as is the habit of the great democracies." But 31 years later "the majority of the grand dukes and grand duchesses signed a paper prepared by the revolutionary government in which they renounced their rights." Alexander didn't, of course, but the *majority* did. So it seems that most scared royalty and melodramatic democrats react about the same under similar circumstances.

Alexander derives a lot of sardonic amusement from the fact that many of the "tin gods" of the revolution were forced either into jail or exile by the Bolsheviks. And, indeed, he is entitled to his fun, for in any thorough-going social change a muddled liberal is just as out of place and unpopular as an aristocrat,—more so, in

fact, if the aristocrat happens to be also a realist. Tolstoi could no more fit into a Bolshevik scheme of things than the Czar.

One of the best chapters of Alexander's book deals with the bourgeois complexion of Russia on the eve of the Revolution. The finances of the country were largely in the hands of three men, Yaroshinsky, Batchli, and Pootiloff. But again Alexander fails to grasp the significance of the facts he records. Here was a tremendous land with considerable industrial development, and consequently with a large proletariat, but ruled by a regime that was not only feudal but utterly degenerate, and having no appreciable bourgeois class. However, many professed Bolsheviks also fail to appreciate these special features of the Russian revolution.

After the revolution, Alexander's life was saved by the intervention of the German "enemies" of the Czar in Crimea. Subseugently he devoted his life to being a glorified emigre and seeking foreign aid to crush the Bolsheviks. He is especially bitter that no such foreign aid in the necessary quantity was forthcoming. Democratic and realistic France was willing,—but at the price of large concessions. Well, as he himself says, France "could not have had a very high opinion of the leaders of a regime that was Don-Quixotic enough to sacrifice millions of Russians (in the early part of the World War) for the sake of assuring the military ascendancy of France." And today France is apparently achieving a firm alliance with a far stronger government in Russia than the degenerate Romanoffs could ever have provided.

So Alexander spent his last years trying to devise a "religion of "love," which shows that for all his intelligence he was afflicted with a bit of the same nutty streak that characterizes the other Romanoffs.

Such are the records of the futile strivings of the Russian emigres as set forth by Alexander and Mr. Huntnigton. Mr. Huntington furnishes most of the glorification. Neither ever gets sufficiently down to earth to say bluntly that the Russia of the Czars is, so far as any person of unbiased intelligence can judge today, gone forever and that the diehard emigres will either have to make peace with the Bolsheviks, or contentedly adapt themeslves to the various lands in which they live,—or continue being futile.

W. B.

The Land Problem in Ireland Has Lessons for China

The War for the Land in Ireland, by Brian O'Neill, International Publishers, New York, U.S.$1.50

This book has a special significance for and should interest, students of Chinese agrarian problems. For the agrarian economy of Ireland, particularly in its more purely political aspects, has many points of similarity with the agrarian economy of China.

If Ireland is a colonial country, prodominantly agricultural, oppressed and exploited by imperial Britain, then China is a semi-colonial country, also primarily agricultural, subject—even if indirectly—to the domination of all the great imperialist powers, including Britain.

From similar causes—in politics and economy, at any rate—similar effects result. In the dire impoverishment of the Irish peasantry, tellingly portrayed in this book as the product of the triple evils of foreign domination, landlordism and usury, we can see mirrored with extraordinary accuracy the present plight of the peasantry in China.

The author tells the story of the war for the land in Ireland with keen insight and understanding. He opens his narrative with a description of the condition of the Irish peasantry in the eighteenth century. Quoting James Connolly, the socialist leader who was executed after the Easter uprising in Dublin in 1916, he says the Irish countryfolk were "dispossessed of all hold upon the soil of Ireland—the Catholic dispossessed by force, the Protestant dispossessed by fraud."

Absenteeism, the author states, bred a horde of middlemen, the landlords renting their estates to these vultures for a fixed sum and thus ensuring a regular income without taking the slightest interest in their farms. The middlemen sublet the farms. Tenants whose leases had expired were compelled to bid against strangers for their holdings, and the insecurity of tenure forced up the rent with each expiration of the lease.

These conditions, as Brian O'Neill convincingly shows, led to famine after famine. In 1930 about 400,000 persons died from starvation and famine-desease. "Whole parishes were almost desolate, the dead were eaten in the fields by dogs: one thousand had perished in a single baorny." There were further partial famines in 1757, 1765 and 1770,

But the potato famine of 1845-7, with its three-year toll of over a million dead from hunger and hunger-fever, eclipsed all previous famines in its disastrous dimensions. As the author points out, the victims died in the midst of an abundance their own hands had created—died while their produce (for only the potato had failed) was floating on every tide to Britain—died while, "singular to relate, that city (Dublin) had never before been so gay and luxurious; splendid equipages had never before so crowded the streets; and the theaters had never been filled with such brilliant throngs."

The fact that the author avows himself a communist should prejudice no one against reading his book, which contains exceedingly valuable and interesting data.

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Text of Dr. L. Rajchman's Report on League Co-operation with China

(Continued from last week)

Even in the Seven Provinces comprised in the scheme mentioned above, the local governments have completed many roads without the assistance, and sometimes even against the advice, of the National Economic Council. This unassisted road building is sometimes in the ratio of 4 to 1, as was the case in the province of Chekiang during the last two years. Outside the Seven Provinces, Shantung and Kwangtung and Kwangsi have been particularly active, having constructed between them over 9,200 kilometres of roadway.‡ In many cases, what is returned officially as a road would not come up to the standards drawn up by the Roads Bureau of the National Economic Council, and is likely to be little better than a cart track, rapidly deteriorating under even light traffic and unusable in time of heavy rainfall.

4.—The Roads Bureau has three departments: (*a*) for transport; (*b*) for extension and investigation; (*c*) for engineering. It has established branch stations at the principal construction sites. It has drawn up regulations for traffic control, given short courses for highway engineering, has begun the establishment of a museum and a reference library, published a road dictionary in Chinese, and commenced the registration of highway engineers. It has built several sectors of an experimental road near Nanking in order to determine the most appropriate form of road construction.

5.—The National Economic Council was not directed by the National Government to consider a general policy of communications for the country. In determining, however, the guiding principles for the policy of its Road Bureau, it starts from the assumption that railway, and in a lesser degree waterways, represent at present, and will of necessity represent in the near future, the main lines of communication. Roads are therefore considered as feeders of these main lines, and in planning new construction the advice is given that as a general rule they should be built to supplement and connect, and not to duplicate, the existing communications. When conditions permit the starting of new railway construction on a more considerable scale than is possible at the moment, the present schemes will have to be adjusted accordingly. With the renewal of work on the Canton-Hankow Railway, the extension of the Lunghai Railway to the remote North-west, and the connecting up of Hunan and Chekiang by a railway along the lower reaches of the Yangtze, this period of railway construction appears to be close at hand.

6.—Furthermore, in planning for a country a system of communications it is necessary to investigate what it is that requires transportation. This depends on the geographical and economic situation. China is a country which has a preponderantly agricultural and a very much smaller, though steadily growing, industrial area. In the districts of Tientsin (population 1,319,000), Peiping (population 1,492,000,) Shanghai (population 3,259,000), Nanking (population 672,000), Hankow (population 746,000), and Canton with its hinterland (population over one million)* the development of motor-bus traffic run at a profit, and the building of garages, petrol pumps and repair stations has not been unimpressive during the last few years.

The rest of the country is predominantly agricultural, the density of population varying to a very considerable degree from one area to another. The following table shows the population per square mile of the more important areas:—

Province	*Population : 1926 (Post Office Estimate)*	*Population per sq. mile*
YANGTZE VALLEY:		
Chekiang	24,140,000	657
Kiangsu	34,624,000	896
Anhwei	20,199,000	368
Kiangsi	27,564,000	395
Hupeh	28,617,000	400
Honan	35,290,000	522
Hunan	40,529,000	486
SHANTUNG	34,376,000	614
HOPEH	38,906,000	335
THE NORTH-WEST:		
Kansu	17,223,000	59
Shensi	7,423,000	228
Shansi	12,153,000	149
THE SOUTH:		
Fukien	14,330,000	309
Kwangtung	36,776,000	369
Kwangsi	12,258,000	159
SZECHUAN	52,064,000	238

Such parts of the country as the hsien of Kiangning, Kiangsu, and the plain of Chengtu in Szechuan resemble an extensive and thickly-populated urban area rather than what may be assumed to be ordinary countryside. In these regions there is either at present, or likely to develop, a considerable demand for, and an increase of, rapid means of transportation, probably by motor vehicles.

In less congested areas transport is needed predominantly for the conveyance of goods, and its type will be determined by the kind of commodity produced, taking into consideration the need or otherwise for speed, the weight and the bulk, while the principal factor will be cheapness. To the farmers in this country, accustomed as they are to slowness of means of transport, a speed of five miles per hour is satisfactory, and they do not as a rule feel the need of increasing it five ti...es, i.e., to the average speed of motor-car transport. Until present times such a differentiated system of communications suited in different regions to the different types of country has not been worked out in accordance with any preconceived plan or plans, but has rather followed local customs. Thus, except in the North, where horses and camels are used to a varying extent for draught purposes, the chief motive-power in transport has been human labour and donkey and mule-back transportation.

7.—A table prepared by the Bureau of Roads from statistics gathered in Kiangsu and other provinces of the comparative cost of transportation is very illuminating. The types of cargo are classed according to their degree of bulk and perishability.

Type of Transportation	*Freight Rate† (Per Ton-km.)*
Railways	1st class cargo, $0.1700
	2nd " " 0.1100
	3rd " " 0.0930
	4th " " 0.0680
	5th " " 0.0450
	6th " " 0.0350
Motor Trucks	1st class cargo, $0.5210
	2nd " " 0.3840
	3rd " " 0.2560
Donkeys, Mules and Horses	$0.20—$0.30
Camels	$0.20—$0.30
Carts (animal drawn)	$0.08—$0.20
Wheelbarrows	$0.18—$0.20
Junks	$0.02—$0.05
Steamers and Launches	$0.02—$0.12

The high cost of motor transportation as compared in particular with railway transportation calls for serious consideration. The cost of maintaining roads in good condition is an important factor, as also is the considerably longer life of railway rolling stock as compared with that of motor-cars, particularly in a country where motor transportation is in its infancy.

8.—Furthermore, motor-cars are much beyond the means of by far the greater part of the population of the country, and it may perhaps be said that in the provinces provided with motor roads private cars are as rare as private railway carriages on European railways. Motor-cars at present, with the exception of the industrial areas and the principal cities, are owned and operated by corporations, either public or private. There are some four kinds of such companies in existence. The first operates in towns, and as a rule with considerable profit, some of the routes being given in franchise to private enterprises.*

The second kind exists where a railway terminus does not reach an important city or provincial capital. Such a case is, for instance, that of the 174 kilometres intervening between Tungkwan, the terminal point of the Lunghai Railway, and Sianfu, over which there are more than 200 different enterprises, the majority owning only one car, in operation. The third kind comprises regular services for passenger traffic over long distances not linked by railway, separating important centres of population, or intended to link up with far-distant railway systems, either within the country or outside its borders. The public motor services are organized in certain provinces like Hunan, with its 900 odd miles of motor roads, on the model of railways with regular time tables, stations at fixed intervals, and road supervision.

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*Estimates given in the "Statistical Monthly," the publication of the Directorate of Statistics, National Government of China.

*Details are available of the municipal bus services of Greater Shanghai and Nanking.

1.—There are two bus services in Nanking. The first, called the Kiangnan Company, has a capital of $200,000 and is privately owned. It began to operate in the autumn of 1933, having received a licence for ten years. Under the terms of this it pays 3% of its total monthly receipts into the Treasury. The company operates two services, and possesses 30 buses, which are of moderate quality, being chiefly second-hand trucks with coach-work locally constructed. The company has not been in existence long enough for its financial prospects to declare themselves. The second company has a capital of $100,000, and operates 16 buses, all of which are of a very inferior type. Besides paying a duty of $30 a month on each of the buses, the company has to pay 30% of its total annual profit to the municipality. Since 1931, however, the company has been run at a loss.

2.—There are five private bus companies in Greater Shanghai, four of which operate long-distance lines extending outside the city. All these companies report a profit. The tariff on the long-distance lines varies according to distance between 32 and 39 coppers. In 1932 the "China Autobus Company of Chapei," which has 25 buses and operates exclusively inside the city, carried 3,100,000 passengers.

(To be continued)

Aeteran Missionary Says Opium Cultivation in Hupeh Is Almost Universal

Rev. H. B. Rattenbury, after 30 years of service with the Methodist Missionary Society in Hupeh, sailed for England from Shanghai end of last week. In an interview before leaving he said that in his thirty years experience in Hupeh, he had never seen opium grown, and there had been but little use of the drug apparent until recently. But in 18 days' journey overland recently, he discovered the use of the drug to be all but universal. Inquiries made in various towns and centers regarding the number of habitual users of the drug, resulted in figures ranging from 80 per cent to 95 per cent of the male population.

In a petition to the Ministry of Communications, the Directorate-General of Posts requests that whenever narcotics are found being smuggled in postal parcels, part of the contraband confiscated may be retained by the Post Office as evidence against the sender.

Regulations governing the organization of hospitals for curing opium-smokers and for the issue of licenses to opium dealers and addicts were adopted at a meeting of the Kiangsu Provincial Opium Suppression Commission held in Chinkiang June 30.

British Cigarette Strikers Shown Leniency by Mayor Wu

The strike in the British Cigarette Co. "new" factory in Pootung, shows no sign of being settled. The strikers manitenance corps instead of complying with an order from the City Government to dissolve, sent 39 members to the Civic Center June 29 with a view to interviewing Mayor Wu. The petitioners were later informed that the Corps would be allowed to function for the time being.

Decision to promote a boycott campaign on products of the British-American Tobacco Company was reached at a meeting called by the British Cigarette Company Workers Strike Committee last week at which many local merchant guilds, labor unions and other civic bodies were represented.

Beginning from July 1, the Tobacco and Wine License Tax, which has hitherto been collected as National Revenue, was transferred to the control of the Provincial authorities with a view to facilitating the readjustment of Provincial finances.

Persia Protests to United States on Standard Oil Concession

At the request of the League of Nations the Government of Persia June 15 published a note of protest to the United States against the activities of the Standard Oil Company of California in obtaining a Persian oil concession in the Bahrein Islands. The concession was obtained illegally from officials who had no right to grant such a concession, the Persian note said.

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Chinese Pupil in Sarawak Discusses World Problems

Editor, *The China Weekly Review* :—

An interesting problem to discuss : Is the world more afraid of war or of unemployment? We usually consider that war is disastrous, seeing that lives of innocent men, honest citizens, and patriotic countrymen are made the toys of bombshells, machine guns, battleships, aircrafts, etc., and apart from this their parents, bent double with age, their beautiful young wives and lovely little children are left to starvation and cold at home.

We may define the term war, in its proper sense as usually applied, as a conflict between two or more nations for the sake of conquest. Every power has adopted a neutral policy towards the "business tranactions" of the other nations. A Chinese proverb says : "Let everyone clear the ice from his own doorstep instead of bothering about the frost that is on the neighbor's roof." (各人自掃門前雪莫管他人瓦上霜). The Manchurian Incident and the Shanghai war are examples of this. The so-called powers and other members of the League Nations only cared to go as far as sending their delegates, who were instructed to make a few light speeches and vote aye or nay ; at the same time, the violator of the solemn covenant was and is working in full swing.

Now the powers are in the Armament Race : one to continue her naval base, another to complete the tonnage allowed to her, and another to increase armament by all means, whereas the other less-concerned nations are reviewing their forces now and then. All this makes us believe that the wine of world war is in ferment. Such are the forerunners of world war we say ; but spending billions on arms means national bankruptcy and unemployment. The balance of power will go on and must go on. The athletes cannot withdraw from the race even knowing that heart-failure is in the waiting. Where the finishing point is no one can possibly tell, but we are doubtful how many could continue the race for long without getting heart-failure, and heart-failure means unemployment.

The result will be a complete collapse of all the world's industries, commerce, and all other enterprises. The recent demonstration in England is an outstanding example.

Unemployment is certainly one of the greatest problems of modern times. It is like leprosy. It will spread. The world will soon be like a leper at the fourth stage, or whatever it may be. Up till then we need not use any weapon to end his life, for life shall be no more in him.

KONG YU-LEANG (江友良)

St. Thomas' School, Kuching, Sarawak, June 12, 1934.

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The National City Bank of New York, Rates of Exchange

Shanghai, July 4, 1934

Demand selling rate on America :	U.S.$100=Sh. $ 2.91
Demand buying rate on America :	U.S.$100=Sh. $ 2.88
Demand selling rate on London :	£1.0.0=Sh. $14.71
Demand rate buying on London :	£1.0.0=Sh. $14.50

Latest New York Stock Exchange Quotations

Market—Very Dull. Business Done 400.000 Shares

July 4, 1934

1933-34 High	1933-34 Low	Div. $ per Sh.	STOCK	Mon. July 2	Tue. July 3
4	3	—			
13¾	11½	0.60	Adams Express	8½	8
33	70⅜	6.00	Alaska Juneau	20⅞	21
160	19½	4.00	Allied Chemical & Dye	131	130
107¼	5⅞	—	American Can	95⅝	96
19⅝	3¼	—	American & Foreign Power	8½	8¼
27¼	10¾	—	American Metal Company	23½	23¼
53⅞	86½	9.00	American Smelting	41½	41⅝
134⅝	50⅝	5.00	American Tel. & Tel.	113½	113
94⅝	10⅞	1.00	American Tobacco "B"	74⅛	74⅞
43¼	5	—	American Waterworks	19½	20¼
22⅞	5⅞	2.00	Anaconda Copper	14⅝	14¼
84¼	8¼	—	Atlas Corporation	10⅜	10¼
18⅝	31	—	Auburn Automobiles	22¼	22⅞
37⅝	10¾	—	Baltimore & Ohio	22½	22¼
49½	18	1.60	Bethlehem Steel	32½	32⅝
37⅝	5½	0.25	Borden Company	26¼	25⅝
28½	7½	—	Borg Warner	21⅞	21⅜
20⅞	30½	—	Canadian Pacific Railway	13⅞	13⅝
103½	16⅝	1.40	Case, J. I.	49	49½
47⅞	14⅞	2.50	Chase National Bank	26	26
52½	7¾	1.00	Chesapeake Corporation	48¼	44½
59	9	0.50	Chrysler Corporation	38¼	33⅝
28½	1⅝	—	Columbia Gas & Electric	13¾	13⅝
6⅛	34⅛	3.00	Commonwealth & Southern	2	2
64⅜	4⅞	—	Consolidated Gas of N. Y.	33	33¼
22½	2⅝	—	Continental Oil	19¼	18⅝
9	1½	—	Coty Inc.	5⅜	5⅝
5⅛	32¼	*2.00	Curtiss Wright Company	3¼	3⅛
103⅞	46	3.00	Du Pont de Nemours	86⅞	87⅜
100⅝	10	—	Eastman Kodak	96⅝	96⅝
41⅝	3⅛	—	Electric Bond & Share	15½	14⅝
15⅝	12	—	Electric Power & Light	5½	5½
19	2⅞	—	Fox Film "A"	13⅝	13⅝
10⅝	10½	—	General Aviation	4⅝	4½
30¼	21	0.40	General Electric	19⅜	19⅝
39⅞	10	1.50	General Foods	31⅝	31
42	13¼	*1.00	General Motors	30½	30⅝
49½	12	1.00	General Railway Signal	31½	31⅝
27⅝	9¼	1.20	Gold Dust	19½	19⅝
47½	6½	—	Goodyear Tire & Rubber	26	26¼
40	13⅝	—	International Cement	25¼	25½
46⅛	6⅝	0.60	International Harvester	32⅝	32¼
29	5⅛	—	International Nickel	25½	25⅝
21⅝	21¼	—	International Tel. & Tel.	12⅝	12¼
66⅝	7⅝	—	Johns Manville	51¼	51¼
26	37½	—	Kennecott	21¼	21⅝
79⅝	49¼	2.40	Lehman Corporation	66¾	67
99⅝	8½	*4.00	Liggett & Myers "B"	95¼	95¾
36½	10⅜	1.00	Loew's Inc.	28	28¼
25¼	8⅝	1.20	Lorillard P. (Com.)	17⅞	17⅞
35⅝	16⅞	—	Montgomery Ward	26⅞	26¾
64½	5⅝	1.00	National City Banks (bid price)	27⅞	28¼
41⅝	14	—	National Distiller	24	25⅝
58½	12⅝	3%S	New York Central	27¼	27½
36½	31½	2.00	North American	17⅛	16⅝
96⅝	15	1.00	Owens Illionois Glass	76½	76
31⅞	1⅝	—	Pacific Gas & Electric	18¼	18
6⅞	13⅝	0.50	Packard Motors	3⅝	3½
42½	11	—	Pennsylvania Railroad	29½	29½
6⅝	4⅝	—	Pennroad Corporation	2½	2⅝
20⅝	3	—	Phillips Petroleum	17½	17½
12¼	26½	3.00	Radio Corporation	6⅞	6¾
64¼	12½	—	Reynolds Tobacco "B"	45	45⅜
51¼	6	1.00	Sears Roebuck	41	41¼
19½	14¼	2.00	Socony-Vacuum Corporation	15⅝	15⅝
28	5½	—	Southern California Edison	16¼	16⅜
22½	22⅝	1.00	Standard Gas & Electric	11	14⅝
50¼	45⅝	3.80	Standard Oil Co. of N. J.	43⅝	43¼
61⅝	1½	—	Sterling Products	60¼	60¼
9	10⅝	1.00	Studebaker	4	4⅛
30¼	2⅝	0.12	Texas Corporation	23⅝	23½
9⅝	19⅝	1.00	Transamerica	6½	6½
51⅞	61¼	6.00	Union Carbide & Carbon	41⅝	41⅝
133⅞	16½	—	UnionPacific	119¾	120⅜
46⅞	4¼	—	United Aircraft & Trans.	17½	17⅝
14¼	13⅞	1.20	United Corporation	5	5⅛
25	2⅞	—	United Gas Improvement	16⅝	15⅞
25	22⅝	—	U. S. Rubber	17¼	17
67½	21½	*2.00	U. S. Steel	38	38
51½	19⅝	—	Universal Leaf Tobacco	Unq.	21¾ ?
31⅝	25⅞	—	Vanadium	20⅛	20
9¼	7¼	—	Warner Bros. Pictures	5¼	5⅛
58⅝	23⅝	2.40	Westinghouse E. & M.	35⅝	35½
			Woolworth	49	49¼
			PREFERREDSTOCKS AND BONDS		
54⅞	35	none	American & Foreign Power 7% Pfd.	20	19¼
44⅞	25	5.00	Amer. & For. Power 5% debs. of 2030	51¾	52
59½	25	6.00	American Waterworks $6 preferred	71	71½
80	18	6.00	Cities Service Power & Light 5½s/52	44⅝	45½
48½	34	5.50	Electric Bond & Share $6 preferred	50¼	50
66	35	6.00	Int. Tel. & Tel. conv. 4½s of 1939	67½	67
69¾	91½	4.50	New England Gas & Electric 5s 1947	57	57
65	44⅝	5.00	Standard Gas & Elec. 6% notes 1935	92	92
		6.00			

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The China Weekly Review

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